AY 3, 1947

SATURDAY NIGHT

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THE CANADIAN ILLUSTRATED WEEKLY

THE FRONT PAGE

Europe The Battleground

THE plain truth is, and General Marshall's broadcast merely points it up, that totalitarian economics and free economics are fighting a battle to the death over the body of expiring Europe, and that totalitarianism wants Europe to expire and free economics wants to keep it alive. Nothing would suit the Communist book better than the complete collapse of the economic life of the entire continent. Misery is the food of Communism, and Communism has no compunctions about how much misery it administers in order to produce the desired effects.

The deliberate promotion of starvation among non-Communist peoples is a perfectly proper and legitimate procedure for Communists. It is one of their forms of war—perhaps the best one. It is difficult for us non-Communist peoples of the English-speaking world, who are still imbued with the outmoded humanitarianism of the nineteenth century, to believe that a great and once Christian nation will deliberately aim at the starvation of millions of people in time of ostensible peace, though we are perfectly aware that the Germans did it systematically in time of war. But the fact remains that the Soviet policy in regard to continental Europe is to delay and obstruct all political settlement, in the sure knowledge that without political settlement there can be no return to active production, and that without production there can be no functioning economic system and eventually no adequate supply of food, fuel, clothing and the other necessities.

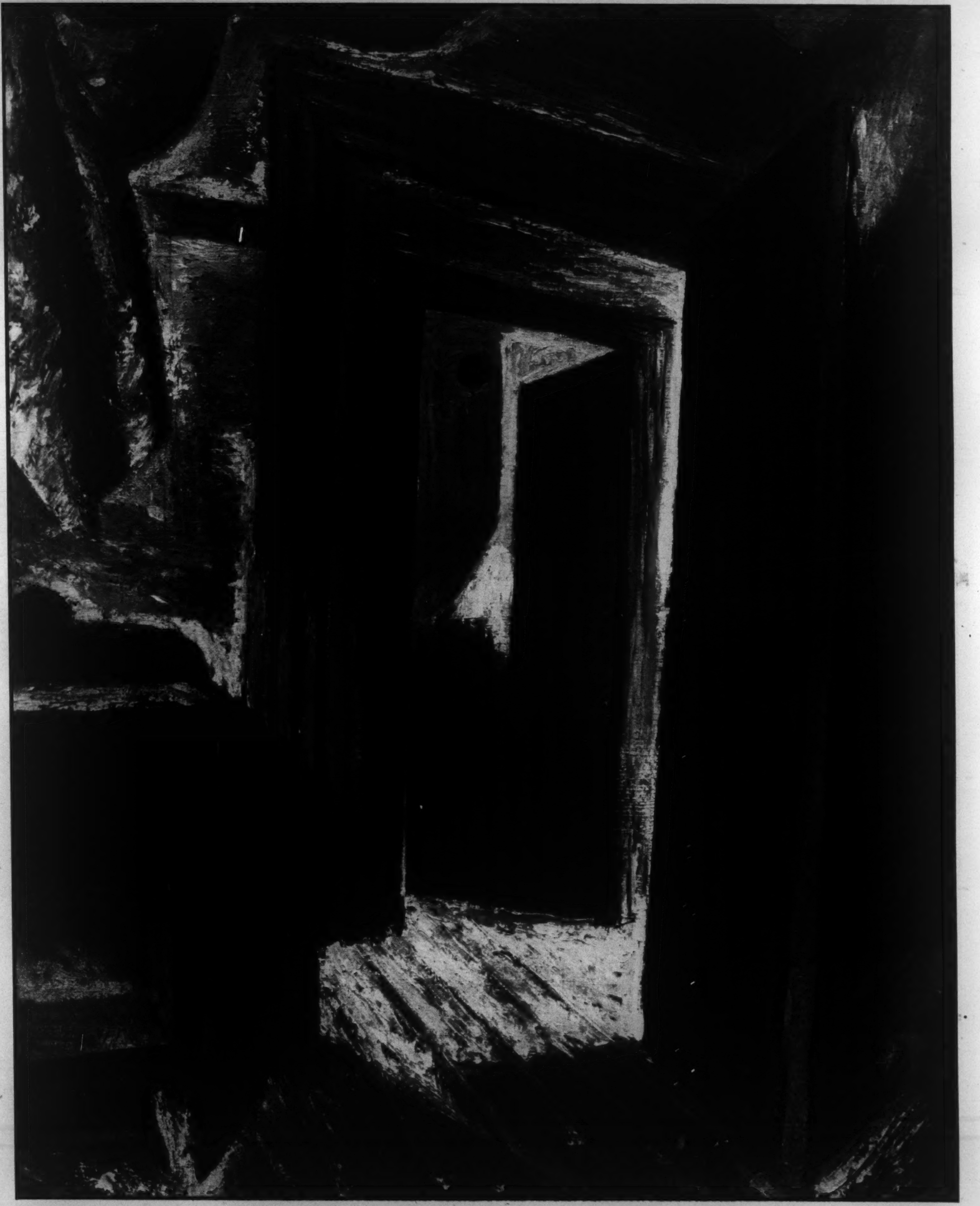
With Russian cooperation Europe could have been put on its feet in six months from the date of surrender. Without Russian cooperation Europe could probably be put on its feet in a year or two, if the other powers decide to work without Russia, and to oppose Russia when she tries to throw monkey-wrenches into their efforts. But so long as we wait for Russian cooperation (which we shall never get because a cooperating Russia would be doing nothing to advance Communism) Europe will never be put on its feet—until Communism does the job.

General Marshall has said what needed to be said, and what he did not say can be readily supplied by intelligent readers. There is no inherent reason why Communism and Free Enterprise cannot live together on the same planet in peace and amity, but on one condition—that neither of them seeks to destroy the other. Communism is not living up to that condition at the moment, and if Free Enterprise wants to survive it must fight Communism with the appropriate weapons. Today the objective is the restoration of the economic life of Europe on Free Enterprise lines—without Russia's help and against Russia's wishes.

This Picket Question

THE whole and sole basis of the right of picketing struck premises is the right of conveying information to persons entering them that a strike is in progress. On this basis picketing was tolerated for years although the process of conveying information was constantly, and quite illegally, accompanied by the conveyance of threats and occasionally by bodily violence. It was only when the so-called sitdown strike was invented in the United States that the idea began to gain ground that employees possessed some right of occupation of the premises where they work even when they are not there to carry out their duties under a contract of employment. When the institution of the accredited bargaining agency was recognized during the early days of the war, it was immediately seized upon by extreme labor advocates as conveying to the accredited union some undefined legal right to "protect the jobs" of its members by preventing anybody else from having access to the place where they are performed. No clear legislation and no court decision has ever given substance to this claim,

(*Continued on Page Five*)



Entitled "Yesterday", this painting by Jack Bush, A.R.C.A., well-known Canadian artist, is in current exhibition of the Ontario Society of Artists now on its way to Ottawa. It inspired the poem below.

YESTERDAY

By HAROLD CAVERHILL

A stagnant stillness slumbers here
Inside the door,
Where dust of generations lies
Along the floor.

I feel an echoing emptiness
Through doorways roll,
In this hollow shell of yesterday
Without a soul.

Dully my footsteps drum upon
These walls so frail,
Where once the rasp of saw was heard,
And ringing nail

As hammer smote.. Here happy workmen
Sang and laughed.
The plasterers lugged their hods; the painters
Plied their craft.

And when 'twas done they packed their tools,
And closed the door,
A hundred years have rolled away—
'Twill close no more.

Across the wrinkled floor my steps
Are dry and thin,
Where once the feet of bride and groom
Passed within,

Round busy stove deft fingers wrought
Throughout the days,
And hungry husband hurried in
With words of praise.

An infant's cry came wailing down
From up above.
Here children played. A youth and maiden
Pledged their love.

The slow shuffle of ancient feet
Came to the ear.
Then Death came creeping in. Now Death
Is master here.

And so throughout the years came life
And love and death,
As generations breathed their first,
Their final breath.

But the Great Recorder looking down
Has called the roll.
This house of yesterday is now
Without a soul.

Drama Winners Enter London Finals Next Week

Les Compagnons, Ottawa, in Molière's "Le Médecin Malgré Lui" obtained 94 points out of 100. Shield for best actor in French went to George Groulx (centre).

THE renewed activity of amateur theatre in all parts of Canada in preparation for the first Dominion Drama Festival since 1939 has been discussed by Mr. John Coulter in the issues of SATURDAY NIGHT of March 22 and April 26. The 13 winners in the regional festivals compete next week at London, Ont., as follows:

May 5, Ottawa Drama League: Noel Coward's "Blithe Spirit."

May 6, Caravan Players, Toronto: "How Death Came Into the World," by Hartley Alexander. Edmonton Community Theatre: "My Heart's In the Highlands," by Wm. Saroyan. Halifax Theatre Arts Guild: "Send Her Victorious," by Philip Johnson.

May 7, Les Confrères-diseurs du Caveau, Ottawa: "Maria Chapdelaine," by P. Gury from Louis Hémon's novel, (in French).

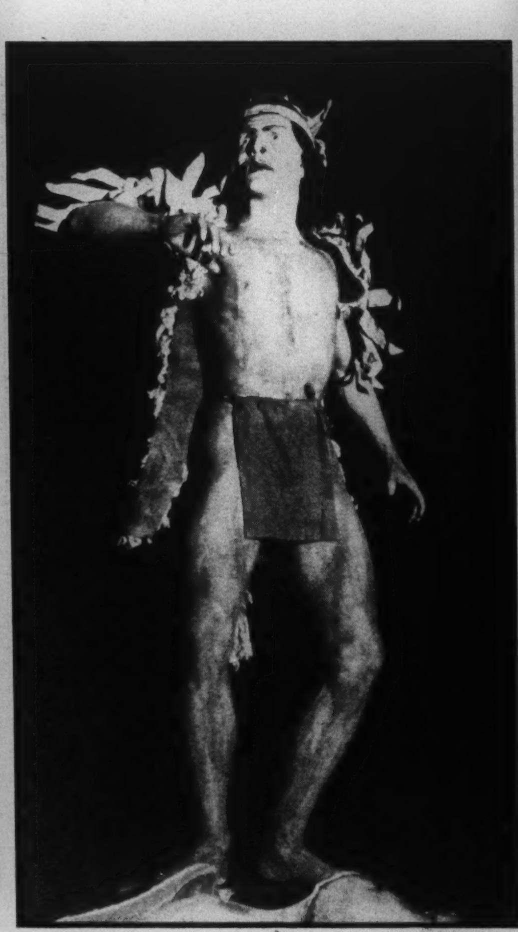
May 8, Vancouver Little Theatre: "Angel Street."

May 9, Little Theatre Group, Brandon: "A Room in the Tower," by Hugh Stewart. Simcoe Little Theatre: "Brothers In Arms," by Merrill Denison. Montreal Repertory Theatre: "Amphitryon 38 (Act 2) by Jean Giraudoux, adapted into English by S. N. Behrman.

May 10, (matinée): Les Compagnons, Ottawa: Part of "Le Médecin Malgré Lui," by Molière. Conservatory Players, Toronto: "The Jar" by Luigi Pirandello. Regina Little Theatre Society: "Ways and Means" by Noel Coward. (evening): Windsor Theatre Guild: "Jane Eyre" by Helen Jerome from Charlotte Bronte's novel.

Brandon Little Theatre won Manitoba honors with "A Room in the Tower". Above, Lady Jane Grey (Doreen McGill) begs Mary Tudor (Gwen Secter) for the life of her husband, Dudley. Kathleen Thordarson is at left.

Recommended as guest presentation at London, "La Cravate Blanche", by Société St. Jean-Baptiste d'Ottawa.



Jack Medhurst of Toronto's Caravan Players in "How Death Came Into the World".

Le Caveau players of Ottawa defend French trophy they won in 1939 with "Maria Chapdelaine", pioneer drama of French Canadian life.

Members of Theatre Arts Guild, Halifax, N.S. regional winners.

"Brothers in Arms" presented by Simcoe Little Theatre, winners of Hanna and Jamieson Shields in the Western Ontario festival.

Montreal Repertory Theatre's entry, "Amphitryon 38", won Martha Allen trophy. Cicely Howland (right) won personal honors.

She Runs a Country Weekly that Wins Prizes

Story and Pictures

by John A. Carroll

FIVE years ago, the sudden death of her husband left Katherine Marston not only emotionally bereft, but with the economic problem of raising four young children varying in age from five to ten years.

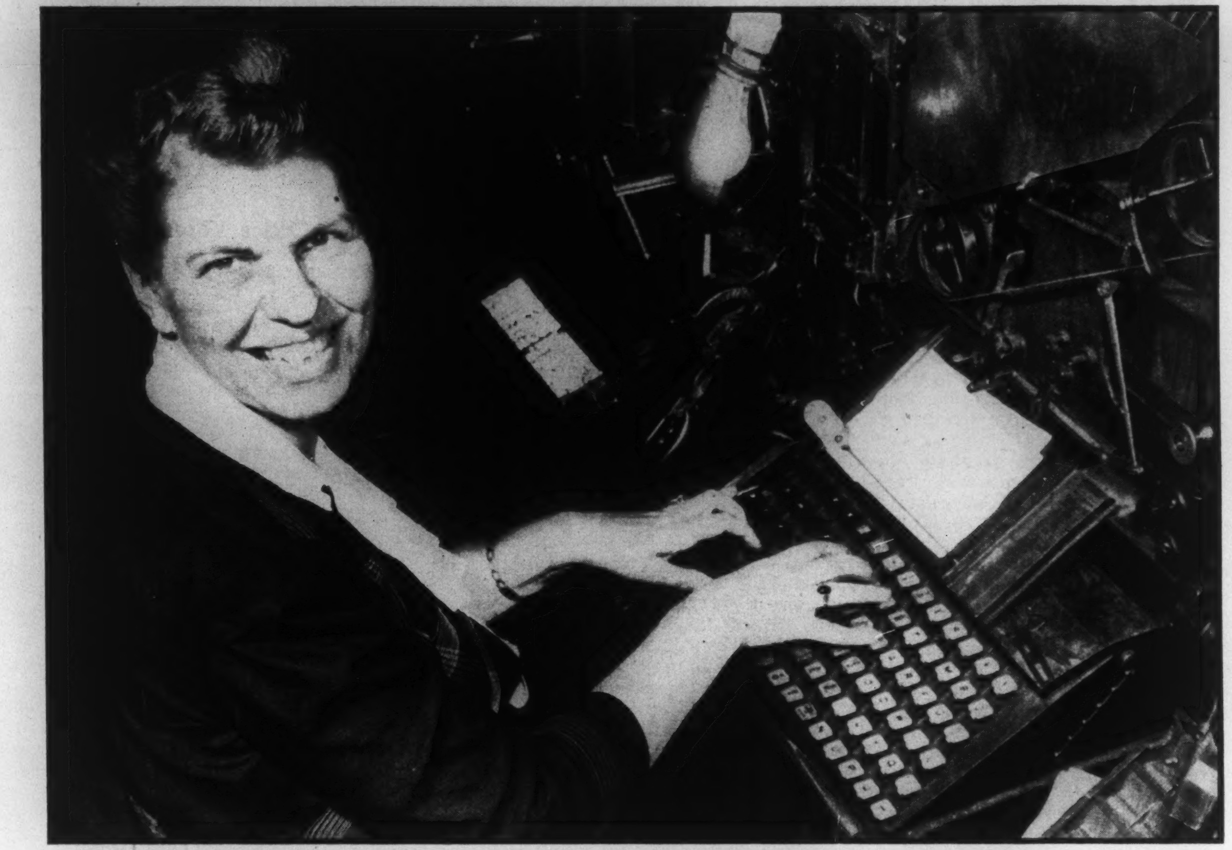
Her husband, a former expert in developing turkey strains at O.A.C., had been engaged in that work on his own at a farm near Elora, Ontario, at the time of his death. The present broad-breasted turkey in commercial favor today developed from results of his experimental work.

As much, says Katherine Marston, to compensate for the terrible loss in companionship caused by her husband's death, in whose work she had always been closely associated, as to provide for the children, she purchased the Elora *Express*, a paper which was in none too good shape, even for a country weekly.

NOW, five years later, she has doubled the circulation of the *Express*. Last year she took 2nd prize in the Hugh Savage Shield competition for the best all-round weekly paper in Canada, awarded at the Canadian Weekly Newspaper Convention. And for the last two years in a row she has won the John W. Eedy Memorial Trophy for the best editorial page in Canada for papers of comparable size.

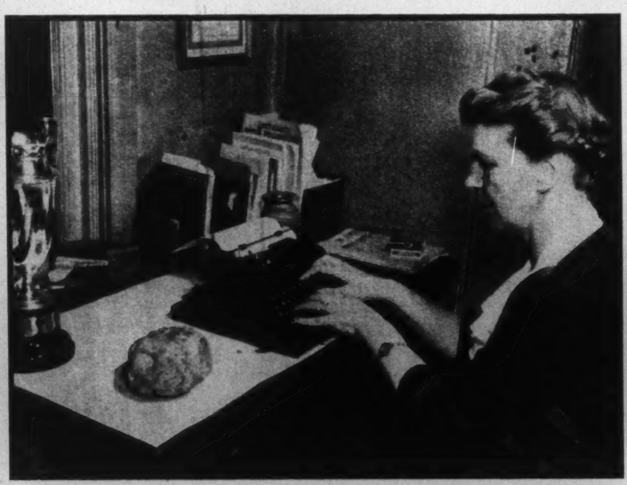
As a sideline to editorship, Katherine is a competent linotype operator when the occasion arises. And, under her guidance, job printing at the *Express*, always an important item with a local paper, has also been doubled.

With the cooperation of her children, Katherine's home life is as well run as her career. Fifteen-year-old Bob, eldest of the family, acts as her lieutenant and sees that each member of the family performs definite tasks. Three dogs, one still a puppy, a rabbit, a cat, and a goldfish might cause considerable confusion at times if it were not for the fact that the members of the household to whom they belong are responsible for their good behavior and safety.



Katherine Marston, who bought the Elora Express five years ago when her husband died, finds—like most country editors—that besides being chief reporter, she may have to become linotype operator at short notice.

Fred Topham, uncle of V.C. winner, shows potato weighing 2 lbs. 9 ozs. to Mrs. Marston, who later does a . . .



. . . write-up on it. Her handling of such local items has won the John Eedy trophy for the past two years.

Checking make-up with Peter Zahody. Job printing, mainstay of country papers, keeps pace with doubled circulation.

The editor of a provincial weekly must figure prominently in community affairs, and to help their mother meet this drain on her energies, Katherine's children do their share of domestic tasks. Bob, 15, is an expert cake-maker.

Mrs. Marston, shown with baby of the family, Nora aged 10, has often been said to resemble Eleanor Roosevelt.

DEAR MR. EDITOR

Why Do Canadian Science Students Prefer Employment in the U.S.?

Editor, SATURDAY NIGHT:

FROM time to time we have noted excerpts from Canadian newspapers, magazines and scientific periodicals — including SATURDAY NIGHT—concerning the migration of Canadian scientific personnel to the United States. As Canadian students studying in the U.S., we are vitally concerned in this question and wish to express our views on the matter.

The Canadian students attending the University of Wisconsin have met to discuss the situation which has prompted the emigration from Canada of such a large number of scientifically trained personnel. Since most of us are graduate students, seeking post-graduate degrees, the future of Canadian scientists is our immediate concern. Three factors which undoubtedly relate to the situation are working conditions, available equipment, and salaries.

The opinion was almost unanimous that working conditions are for the most part very good in Canada. Equipment for research is in many cases lacking or else a limiting factor. This is a condition which must be remedied. We feel that the equipment difficulty has been partly responsible for the slow pace in fundamental research, particularly in most phases of agricultural science.

Salary differences are probably the largest factor contributing to the migration of Canadian scientists to the United States. It is realized that salaries in the two countries cannot under existing conditions be equal. The cost of living is somewhat higher in the United States, and the Canadian scientist can maintain a comparable standard of living on a smaller salary. The salaries for recent Ph.D. graduates are about 30 per cent higher in the United States than in Canada, as the enclosed questionnaire shows; this means that in spite of the somewhat higher living costs the actual salary is much higher in the United States. The greatest difference, however, exists in the opportunities for advancement in the United States as compared to Canada.

It is only natural for everyone to try to better his status in life, and in this regard scientists are no different from other people. Consequently, when better paying positions are consistently made available to Canadians in the United States it is difficult for them to refuse. Inducement to study in the United States is provided by the numerous scholarships, fellowships, and assistantships offered by the various educational institutions. The majority of Canadian students here receive either all, or the major part of their financial assistance from the University of Wisconsin. We believe that the cause of science in Canada would be furthered to a considerable degree if more financial support was forthcoming for graduate study and research projects.

No one factor can be isolated which is in itself responsible for the movement of Canadian scientists to the United States. As we have shown, salaries are probably the most important single factor, but the wage discrepancy is no more important than working conditions and available equipment. As Canadian students studying in the United States, we have a sincere desire to return to Canada on the completion of our studies. We hope that conditions back home will have been modified in the meantime, so that the large-scale migration will have ceased and so that we will have attractive opportunities for employment in our own country.

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Madison, Wisconsin

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Controls on Lumber

Editor, SATURDAY NIGHT:

THE discussion now going on concerning the abolition or retention of price controls, discussed in your Ottawa Letter (S.N., April 12), seems to be largely concerned with either protecting business interests from possibly chaotic market conditions or protecting the consumer from the effects of runaway prices. I submit that the continuation of the controls on building materials, especially lumber, is doing neither of these things.

Here on the west coast, in the heart of the lumber country, it is impossible for the ordinary individual to walk into a lumber yard and have his order accepted. As a result, those in dire need of housing are forced to purchase a house already built: in the case of new houses, few of them are within the reach of the person of average, or sub-average, income, while old house prices are seriously out of line with their values. Were lumber decontrolled and readily available it would be possible for the man of moderate means to buy a lot and some lumber and either build a modest home or start a more ambitious one, complete it to the point where occupancy is permitted, and finish it as his means permit.

While a removal of ceilings might not increase lumber production it would make proper distribution possible. The present situation is that whatever lumber is available is sold by the producers to their regular customers, the contractors, who put it to the most profitable, and not necessarily the most socially desirable, use. This has resulted in the construction of large numbers of luxurious houses but practically no modest ones. There is also a widely held impression that there is a flourishing black market in lumber, and the speed with which these unnecessarily elaborate houses are built seems to bear out that impression.

The present ceiling system aims to protect the home seeker from high prices but in effect it merely makes it impossible for him to buy building materials within the ceiling and so forces him to buy the finished product, a house, on a completely uncontrolled market where prices are such that the contractors could pay above-ceiling prices for much of their material and still make a profit. Is it good government to promote one black market by trying to stamp out another?

Burnaby Lake, B.C. G. F. JONES

Hiring the Older Veteran

Editor, SATURDAY NIGHT:

MR. DUFF'S letter emphasizing the need of increased pensions for old folks (S.N., April 5) failed to note another injustice toward older people but which has become the live concern of two federal departments. The Department of Labor and the Department of Veterans Affairs have launched a joint campaign to offset the disinclination of many employers to hire war veterans and citizens generally in the middle and upper age brackets.

The difficulties in job placement of these people have become a national problem. Although many employers have made commendable effort to take senior veterans (most of World War I, some of I and II) into their organizations, others have not, largely because of mistaken ideas of the older person's worth. Some have even made the refusal-to-employ age as low as 40, others take 45. These are rather remarkable decisions when one considers that industry, hard pressed for manpower during the war, hired men as old as 70 and over.

Such employers can be shown statistics that might change their attitudes; for instance, that the engagement of older people does not add exceptional costs to group insurance and pension plans. Another mistaken but commonly held idea, which can be refuted by Workmen's Compensation Board figures, is that older employees are more subject to accidents than young workers. On the positive side are advantages, and the Labor Department and D.V.A. hope to make these known; older persons have well-seasoned training and experience, frequently exceptional skills, stability and a greater sense of job responsibility.

Montreal, Que. F. A. RADFORD

Seeds of Intolerance

Editor, SATURDAY NIGHT:

RE YOUR article on Major Douglas's latest piece of subversive literature (S.N., March 8), it is increasingly evident that Social Credit has lost all traces of its original reformist character and has fallen into the hands of dangerous pro-fascist and anti-Semitic demagogues. One has only to read Hansard and discover this.

Solon Low, Norman Jaques and Anthony Hlynka are typical examples of Social Credit's champions of anti-Semitism in parliament. Jaques recently declared that there is no anti-Semitism in Canada and those who say so are indulging in a "Communist smear." By using the smoke screen of the "red bogey" Social Crediters have made rapid gains in Quebec. They wiped out the Liberal majority of 10,000 in Pontiac last September and gained some 5,000 votes in Richelieu-Verchères. Speaking in Regina, Jaques boasted of his association with the U.S. No. 1 race baiter, Gerald K. Smith, whom he called "a great Christian nationalist." He defended Gen. Franco and admitted that Smith was active in promoting race theories. When questioned about the Jewish situation in Europe, Jaques insisted that the Jews had suffered no more than other people, that we have heard more about them because of propaganda put out by a "Jewish-controlled press."

These stupid, bigoted statements have gone largely unnoticed by the Canadian press, whereas even conservative U.S. papers have exposed Bilbo, Smith and Talmage for their race-hatred and bigotry. We in Canada must not permit Social Credit to sow seeds of dissension and intolerance without even a whimper of protest.

Toronto, Ont. H. M. STARR

Passing Show

By S. P. TYLER

IF, BY this time, any reader of this column has not prepared in triplicate, and delivered or mailed, postpaid, two copies . . . it is just too bad as he may well be mulcted at least another $5. For further particulars, see T 1-General 1946, prescribed and authorized by the Minister of National Revenue.

•

The famed British aquatic monster of Loch Ness which made its first postwar front-page headlines recently, is now believed to have followed precedent by again retiring to the back pages in favor of Mr. Winston Churchill.

•

"The trouble in dealing with the Russians," says a commentator, "is that they are always changing face." Maybe it is a hopeful sign that they occasionally get sick of the old one.

•

Believe It or Not

An old gentleman of Chicago, age 104, claims he has never had a doctor in his life, but was sporting enough not to attribute his longevity to this circumstance.

•

The most remarkable story emerging from the fiasco of the Moscow Conference is that the only bit of peace secured by the delegates was when they attended the opera.

•

If Joe Louis, heavyweight champion, is unable to find a challenger to his title soon, he proposes to retire and go into the insurance business. This might put him in the running for the next Nobel peace award.

•

One cause that has been given for the $2.50 increase in the price of a ton of coal is the rise in the cost of coal-bags. It is understood that customers will be allowed to kiss the things good-bye before they are taken away.

A thief in an Ontario town not only stole a diamond ring worth $800, but made himself some toast and used fresh butter out of the refrigerator. The victim is still hoping the fellow's conscience will persuade him to return the price of the butter.

•

In spite of everything that has been said to the contrary, the five-cent chocolate bar is still with us; the only difference is the rate of exchange.

•

The story goes that when a Boston evening paper established by detailed calculation a wife's services in the home to be worth $5,845 per annum, many ladies complained that their husbands quite forgot to bring the journal home.

•

Test Your I.Q.

From a recent news item:

"Patino, the tin magnate, became wealthy overnight when the world clamoured for tin cans and automobiles."

Readers are invited to score out the two words which may be defined as tautological.

•

Houses now being erected in Coventry, England, are said to be damp-proof, rot-proof, fire-proof, and able to withstand a 500-lb. bomb at a distance of 30 feet. In this country, the need is for a house that will resist the most persistent magazine subscription canvasser.

•

Following a visit to Ottawa, someone has written to a Nova Scotia paper saying that he was surprised to see writing on the walls of the House of Commons. He did not suggest which party was threatened by this ominous portent.

•

A member of the South Africa expedition being sponsored by the University of California has informed the press that X-ray photography and radium will be used to detect evidence of past civilizations. It would be interesting to learn if the equipment is sensitive enough to pick up a trace of any current civilizations that may be hanging around incognito.

—*Photo by Harry Rowed*

Athabaska Falls, in the Rockies between Columbia Icefield and Jasper, released from an extended winter sleep and swollen by recent heavy rains.

The Front Page

(Continued from Page One)

though the labor people have undoubtedly drawn conclusions from the prolonged refusal of all governmental authorities to defend the struck premises from blockade.

During the war there was some excuse for this refusal, in the extreme need of the nation for all kinds of supplies, and in the fact that sovereignty in regard to such questions was only temporarily vested in the Dominion and would inevitably revert to the provinces under the "property and civil rights" clause. Today there is no excuse for it. The question of the nature and extent of the rights acquired by the accredited union in regard to the physical property of the plant to which it is accredited must be settled and settled soon. We do not believe there is the slightest probability of any legislative body in Canada deliberately granting to any union, accredited or otherwise, the right to prevent access to the premises of the employer; and that being the case, the sooner it is made clear to unions that that right has not been and will not be granted the better off we shall all be. Meanwhile employers who are refusing to negotiate with the representatives of any labor organization while their premises are blockaded are performing a public service, and should have the full support of public opinion.

THE TALL WOOD

THE boy had long been lovers with the wood,
And waking into early dark, would lie
As much at ease in rapture as he could.
And watch the trees take color from the sky.

The topmost branches first were fired and set
Ablaze, and all the lesser in their turn
From slope to slope of darkness, till the wet
Wild boughs beyond the house began to burn.

And as he watched the miracle, inwrought
With all the splendor of the morning's youth,
From the green stature of the pines he caught
A wordless recognition of the truth:
That strength and eminence should prove to be
No less within himself than in the tree.

R. H. GRENVILLE

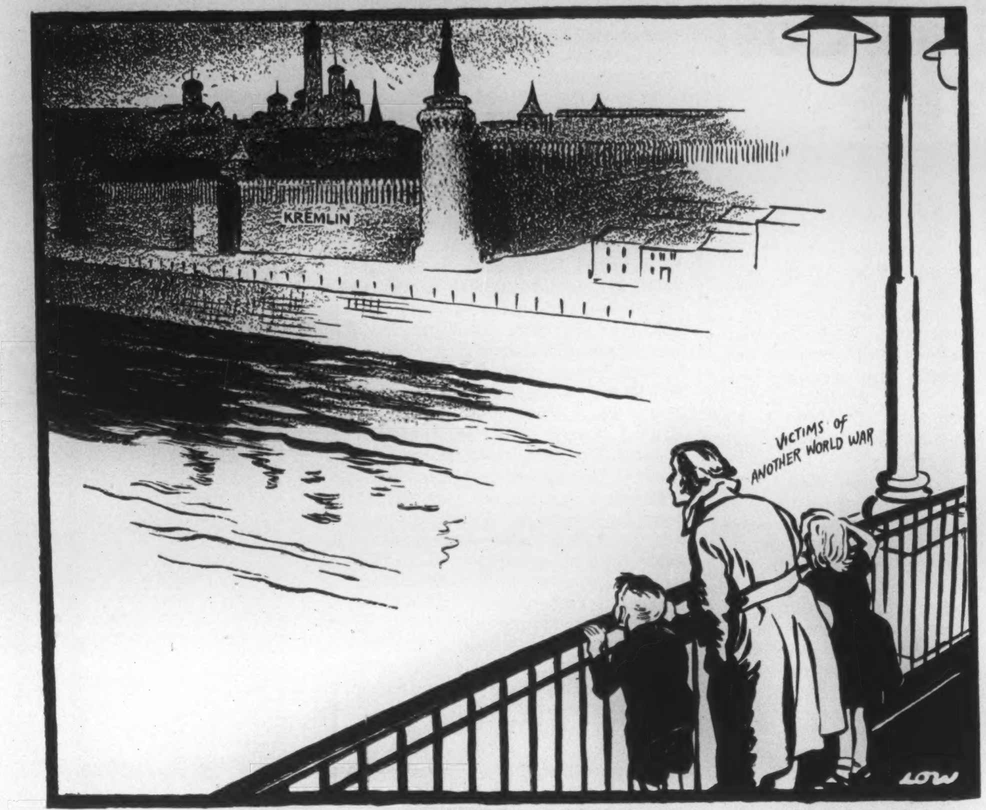
Quebec Appeals

THE Quebec Legislature is in process of passing, and may have passed by the time this is read, a self-denying ordinance by which the Quebec government will henceforth be limited to the highest court of the province in seeking judicial opinions on "stated cases," and will no longer be permitted to ask the Supreme Court of Canada to advise it. This decision is not likely to cause the Supreme Court any disturbance of mind, for its powers will be in no way diminished, and any litigant in an actual contested case will have exactly the same rights as before.

The legislation is doubtless intended to look like an assertion of more rights for the province, but it is actually a limitation of the rights of the Quebec government, imposed by the Quebec Legislature. No constitutional problem is involved, but it may have been the desire of the Union Nationale to draw attention away from the vote in favor of abolition of the Privy Council appeal, to which the self-denying ordinance was attached. The abolition vote is of course merely a request to the Dominion Government to bring in an abolition bill, and Mr. Duplessis may desire to create the impression that he is at the same time abolishing appeals in Quebec civil cases to a court outside of the province. He is not doing so and cannot do so.

The Muskoka Seat

WE HAVE no great objection to a reasonable amount of gerrymandering in the decennial process of re-arranging the constituencies of the seats in the Dominion House of Commons. That is to say, we experience no surprise and very little horror when we find the majority party trying to draw the division lines so that it will take slightly more votes to elect an Opposition candidate than a Government one—always provided, of course, that the lines do not get too fantastically irregular and the disproportion of voting power does not become too outrageous.


KREMLIN
VICTIMS OF ANOTHER WORLD WAR
LOW

WANTED—A SIGN

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But we have great objection to the particular kind of gerrymandering which consists in making a special drive against the seats of individuals in the Opposition who have shown exceptional parliamentary ability. Merely to reduce the number of seats likely to be held by the Opposition after the next election is one thing; to deliberately eliminate a particularly able Opposition member, or to make it highly improbable that he will be able to hold his seat, is quite another thing, and is a blow at the whole working of the parliamentary system. In a country like Great Britain, where a defeated politician can always find an opening in another constituency, this device would have no effect, but in Canada, where the local affiliations of the candidates are so important, it can be most destructive.

For this reason we regret that the committee dealing with redistribution has decided to eliminate the seat at present occupied by Mr. J. M. Macdonnell, who is unquestionably one of the four or five ablest members of the House. If this move should succeed in its object of keeping Mr. Macdonnell out of the next House it will have definitely lowered the quality of Parliament, and will not, we predict, have done any good to the Liberal party either. However we trust that it will not succeed in keeping Mr. Macdonnell out.

France and Nationalism

A MAN who knows as much about the intellectual history of France since 1850 as Mr. D. W. Brogan should write a book about it instead of assembling twenty-seven magazine articles and reviews as he has done in "French Personalities and Problems" (Ryerson, $3.50). Lacking the book, however, Canadians interested in the French mind (especially political) in either France or Canada should not ignore this collection. French-Canadian nationalism cannot be understood until we know how much of it proceeds from Maurras and Barrés, two writers who receive much of Mr. Brogan's attention. Maurras taught that there was a France and an anti-France (within the true France), and the anti-France consisted of Freemasons, Protestants, Jews and domiciled foreigners. (He got to this point long before Major Douglas, but caring nothing for economics he made no monetary deductions.) The Freemasons are the Radicals and Socialists and all four groups are dangerous because of their internationalism. The sole virtue of the state is to survive, and the sacrifice of justice, human liberty, fidelity to pledges, is a cheap price to pay for that survival. Catholicism is valuable as a discipline helping France to survive, but Maurras was no believer. His doctrine, more sanely but less passionately preached by Barrés, regarded the Revolution as a sickness in the life of the French state, and excommunicated all who believed in liberty, equality and fraternity.

This doctrine has so little touched the life of the countries that before 1939 were "safe" from any enemy invasion (Britain and the U.S.), and in its German form has become so repellent to us, that without a guide like Mr. Brogan we can scarcely estimate its importance in paving the way for France's collapse, by destroying all possibility of unity. The French thinker carries his ideas to their logical extreme without regard to practical considerations. (This is a fact to be always borne in mind when reading debates in the Quebec Legislature.) He is capable of saying, "All our weaknesses result from our divisions," and incapable of any compromise which would heal the divisions. In Quebec there is the same feud between those who wholly condemn the Revolution and those who see some good in it; in France the proportions are reversed; that is all. And in both countries the feud is *à outrance*.

Mr. Gouzenko's Statement

OUR observations concerning Mr. Gouzenko's alleged reference to the Aid to Russia Fund were written before *The New World* had made its statement on the same subject. What we then conjectured, however, turns out to be true; Mr. Gouzenko did not make any reference to that fund, and had in mind certain other collections made in Canada for Russian purposes. The misunderstanding was due to the interpreter. While the former Russian official now speaks quite good English, he likes to fall back on Russian when he wants to be specially careful, and the references to funds were in that language.

The *Star* continues, even after this explanation, to maintain that the value of Mr. Gouzenko's evidence in the espionage cases is seriously shaken. The *Telegram* now appears to maintain that it knew all along that he did not say what *The New World* reported him as saying. There was however no suggestion in its original article that he had been misreported; the defence of him was based on the ancient device of quoting that part of what he was supposed to have said which suited the purpose and ignoring the rest.

Pacifism Again

A GOOD argument can be made for the exemption from compulsory cadet training of all school students who have, or whose parents have, conscientious objections to that form of instruction, though we think that the conscientious objection should be well established and the students should be prepared to make some alternative sacrifice in place of that involved in preparing for the defence of their country.

But an entirely different set of arguments is needed to support the demand now being made by the Committee to Abolish Cadet Training of the Fellowship of Reconciliation. The Fellowship is an association which, to use its own language, "refuses to participate in any war and seeks to demonstrate that love is the effective force for overcoming evil and transforming society into a creative fellowship". It is an association whose attitude we can respect but cannot share. That attitude is on the face of it utterly incompatible with support of the United Nations, and the Fellowship should be doing all in its power to withdraw Canada from that organization, whose members are pledged to provide military forces to cooperate with other members in the prevention and punishment of breaches of the peace and aggression. Instead of that, the Fellowship, apparently without any effort to change the external policy of Canada or get its international commitments repudiated, is demanding not merely exemption for conscientious objectors, but the abolition of the whole program of cadet training in the schools, admitting quite freely that the exemption plan is merely one of "the first steps in this campaign".

One of the reasons advanced in support of this abolition is that cadet training "offers no guarantee of security from war". Nobody has ever suggested that it did. There is no such thing as a guarantee of security from war. Non-resistance is always possible, but its inevitable result is to cause the non-resisting country to pass under the dominion of a war-making country, after which the non-resisting country itself becomes a war-making country by the will of those who have taken it over, and its citizens are compelled to make war on what is usually a less just and moral side than that which they might have supported had they resisted. The Fellowship also claims that "We are working for the future safety of yourself and your children." We have no doubt that the majority of the committee honestly believe this to be the case. But they would be franker if they would make it clear that the method they propose to follow to secure that safety is the method of complete disarmament of their country and its absolute refusal to allow a single weapon to be raised by its own citizens in its defence. For obviously the Fellowship's members do not want non-resistance for themselves alone, and active preparedness to resist for all other Canadians. They cannot want to be defended while doing nothing for defence. Or can they?

Producing Opera

THE cultural stature of Canada took on another cubit this week when the Opera School of the Toronto Conservatory of Music produced Smetana's "Bartered Bride" in a manner which has never been approached by any previous attempt at operatic production in this country. It is important to register the fact that the undertaking could in no sense be regarded as local to Toronto. The participants came from all parts of the country, and their training was in the hands of skilled and experienced Europeans. The Conservatory itself is far from being a local enterprise, being attached to the Faculty of Music of the state university of the province; and its alumni, who were gathered in vast numbers in Toronto at the time of the opera production, came originally from all over the Dominion and are now serving the cause of music all over the Dominion. It merely happens that Toronto is a not unnatural place for this sort of activity to centre in.

That the opera selected should have been a Czech masterpiece was no mere coincidence. There is no nation in Europe with whose character and aspirations the people of Canada feel a greater sympathy, and whose music wakens in them a more responsive chord.

CHALLENGE TO THE SPEAKER

JOHN HACKETT (he of Stanstead) is a notable M.P.
He differs from the Government at times,
Revealing in his eloquence some slight acerbity,
As when he blows-up errors into crimes.
But he is most respectful to the customs of The House,
Bows to the Speaker's rulings like a man,
Rather than flinging to his seat, to mutter there and grouse,
As some may do when underneath the ban.

"Order!" remarked the Speaker when John was under way,
Supporting an amendment out of bonds.
He answered: "Mister Speaker, what I intend to say
You know as well as I do. Are there grounds
For hoping that when you review your act, so sharply phrased,
This evening, when your Bourinot you con,
You'll give consideration to the points I would have raised
If I had been permitted to go on?"

J. E. M.

Those CP Datelines Cost One Million a Year

By M. B. PENGELLEY

When there's a big storm, an election, or some other nation-wide development in the news, Canadians want to know what is going on—and they do! But few of the 10 million men, women and children who read newspapers daily in Canada know that all but five Canadian daily newspapers are members of a nation-wide cooperative organization, the Canadian Press, which enables newspapers all across the Dominion to trade their news.

WHILE readers scan front pages of daily newspapers—no matter whether day or night—teleprinters in seven Canadian Press bureaux across the country (there are bureaux in Halifax, Montreal, Ottawa, Toronto, Winnipeg, Edmonton and Vancouver) are rattling out the latest news that is coming not only from allied news agencies all over the world but, surprisingly enough, from virtually every Canadian daily newspaper.

At its annual meeting this week, as reports on the past year's work came under the spotlight, the healthy business and operating conditions of C.P. were reflected. The Canadian Press—executives and member papers—could easily and proudly consider itself a news coverage organization of first rank. On June 13 the organization formally enters its twenty-fifth year.

The Canadian Press spends $1,000,000 annually to keep up the flow of news to its 97-odd daily newspapers over an 11,000-mile leased wire network that spans the Dominion. The cost is shouldered by member newspapers, each contributing so much according to the population in the centre in which it publishes. Where there is more than one newspaper, assessments are shared.

In almost any Canadian daily newspaper the reader may find countless news items superseded by a line (called a dateline) that tells where the item occurred, when, and who (what organization) wrote it. Datelines look like this:

Trail B.C., April 23—(CP)— ......
Jerusalem, May 5—(CP) ....

The letters (CP) in brackets indicate the story was written by the Canadian Press. Similarly the letters, AP, UP, BUP, and INS stand for the Associated Press, United Press, British United Press and International News Service.

Of the latter organizations, news of the Associated Press reaches Canadian newspapers through the C.P. International News Service and United Press operate directly from the United States, and British United Press is a Canadian subsidiary of United Press, with head offices in Montreal. The main source, however, is through the C.P.

Because stories sent to C.P. bureaux by member newspapers are written specifically for readers in their own communities, the C.P. rewrites these, cutting details to suit a national consumption. Each C.P. member newspaper sends its information to the bureau nearest it. Newspapers then receive the rewritten news from C.P. bureaux over teleprinters at something like 60 words a minute. Teleprinters are typewriter-like machines that operate automatically as electrical wire impulses reach them.

Bureau-by-Bureau Filing

News of national importance must be filed bureau by bureau right across the country. Member newspapers catch it on their printer machines as it passes over the wires connecting the bureaux between which they lie. Where a newspaper does not lie in the path of main wires, the bureau nearest it files the news to it over branch wires.

Nucleus of the C.P. system is its head office on the eleventh floor of the Metropolitan building in downtown Toronto. A competent staff works three eight hour shifts — 24 hours a day—to keep up the flow of news east and west across the country.

Throughout Canada there are about 200 C.P. employees of whom 70 are mechanics and teleprinter operators and the rest are editorial workers. The C.P. has few full time reporters — member newspapers are the reporters—but reporters outnumber editors seven to three at the Ottawa bureau. This of course is to ensure a staff coverage of parliamentary, Government and military circles.

To aid in getting news from abroad, the C.P. maintains bureaux in New York and London, England. Staff correspondents overseas also write news of interest particularly to Canadians.

Most foreign news that reaches Canada, however, comes from the Associated Press (a cooperative of U.S. dailies but with much greater world ramifications than the C.P.) world pool, available to the C.P.'s New York bureau. Also there is a considerable flow from the C.P.'s own London bureau and the world report of Reuters (a cooperative of dailies in the United Kingdom also with greater world wide facilities) received by beam wireless in New York and available to the C.P.

These sources yield about 200,000 words in a 24-hour period of which 86,000 are chosen for relay into Canada over a triple trunk circuit connecting the C.P.'s New York bureau with its Toronto head office.

Each member newspaper, no mat-

DIRECTOR

J. EDOUARD SIMARD

J. William Horsey has announced on behalf of the Board of Directors of Dominion Stores Limited, the election of J. Edouard Simard to the Directorate of the Company. Mr. Simard is President of Dominion Foils (Canada) Ltd.; Vice-President of Sorel Industries Ltd., and Marine Industries Ltd.; Director of Sorel Steel Foundries Ltd., Sincennes-McNaughton Line Ltd., Canada Paper Company, and North American Transports Ltd.

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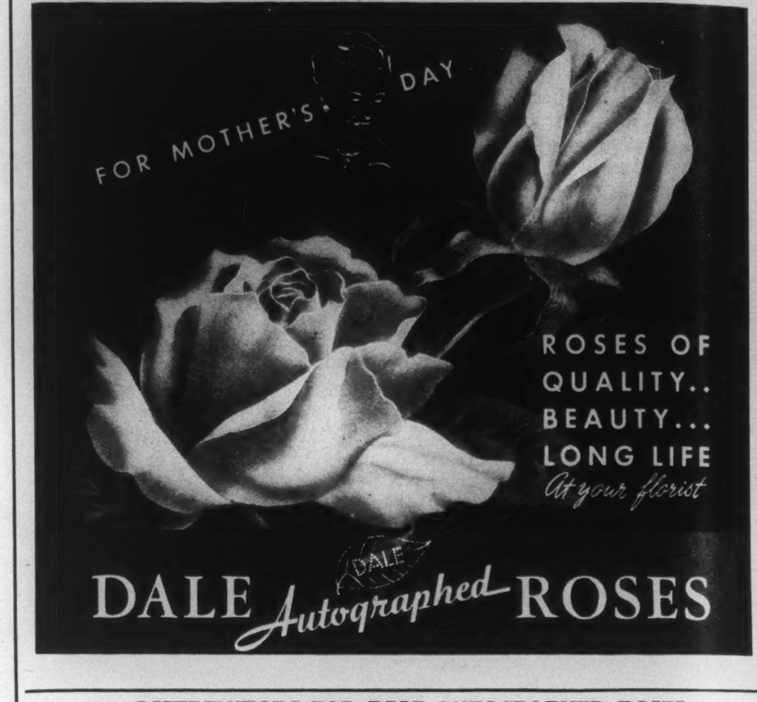

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ter what its size, has one vote in the affairs of the C.P. and in the election of its 21-member board of directors. Directors are elected annually by regions: three from the Maritimes; four from Quebec, including two French-speaking newspapers; six from Ontario; and two each from the western provinces. General Manager of the C.P. is Gillis Purcell, appointed in 1945 after 17 years with the C.P.

The C.P. was formally born June 13, 1923. Before then and up until 1910, Canadian newspapers had received their foreign news through the Canadian Pacific Railway company. The C.P.R. reserved the right to carry a daily report over its own telegraph wires which it selected from the Buffalo bureau of the Associated Press. However, costs were high and when service prices were suddenly raised infinitely higher to clients in western Canada it led to the first attempt by Canadian newspapers at forming a cooperative organization.

Western Canadian papers revolted, cancelled the C.P.R. service and formed the Western Associated Press. They subscribed to the International News Service, a profit organization which ran a daily foreign news report from Chicago to Winnipeg. The W.A.P. soon found, however, that although it was paying more it was receiving a grossly inferior service compared to the C.P.R. service to eastern Canadian daily newspapers.

Equal Press Rates

The Ontario and Quebec publishers and the Eastern Press Association (which was formed shortly after the W.A.P. and included newspapers in eastern Canada) sympathized with W.A.P.'s plight. In 1910 the W.A.P. succeeded in winning an appeal to the Railway Commissioners for equal rates on all press matter.

Following an Ottawa conference of Canadian publishers a joint-stock company called the Canadian Press Limited was established. Its founders hoped ultimately that it would include every daily Canadian newspaper.

The C.P. and the A.P. agreed in a 10-year contract to exchange news of their respective countries, gathered by their member newspapers, and the A.P. also agreed to place its entire world-news pool at the C.P.'s disposal in return for a cash differential. The Canadian Pacific Railway company thereupon relinquished its right to carry A.P. news into Canada.

But while the Canadian Press Limited remained little more than a holding unit for the A.P.'s Canadian rights, Canada's geographical structure continued to hamper news exchange on anything like a nation-wide basis. Few major Canadian cities lay further than 200 miles from the United States border yet 2,800-odd miles separated Vancouver from Halifax. Vast stretches of barren uninhabited country separated the nation's few well populated centres. To lease telegraph wires was deemed beyond the financial capacity of the publishers. For an individual newspaper to station its own staff correspondents in strategic centres across the continent was laughable; or for a newspaper to bear the cost of wire service on a straight word basis was equally out of the question.

At last with World War I to speed up the need for a complete nation-wide news coverage, the Government under Sir Robert Borden offered a $50,000 annual subsidy to be used in bridging three major expanses with leased wires. These were between St. John and Montreal, Toronto and Winnipeg and Calgary and Vancouver. The subsidy was discontinued in 1924 but member Canadian newspapers of the C.P. decided unhesitatingly to shoulder the cost of the wire upkeep.

With leased wires to connect them, the four Canadian press associations (the Eastern Press Association, the Western Associated Press and the Morning and Evening Publishers of Ontario and Quebec) that had carried on only a limited interchange of news under the name of the Canadian Press Limited, were merged together into a nation-wide cooperative organization which after 1923 was called the Canadian Press.

From 1933 to 1940 the Canadian Press served the Canadian Broadcasting Corporation bulletins for use over the air. However, on January 1, 1941 it made available to a staff of C.B.C. rewriters who reproduced it for radio use, its entire news pool. Then in mid-1941 a Canadian Press subsidiary, Press News, began to process newspaper copy for radio transcript. Today, little more than five years later, two thirds of Canada's radio stations are equipped with teleprinter machines over which comes Press News service.

Just 24 years old the Canadian Press gives its members a news coverage that is reputedly second to none anywhere. It is a non-profit organization and the first newscooperative in the British Empire. Today it leads the way in discussion of an intra-Empire news service cooperative. Its ideal is: Truth told clearly, impartially and fearlessly.

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Chartered Trust and Executor Company announces the appointment of J. E. Broome as Manager of the Real Estate Department, succeeding the late Frank McLaughlin. Mr. Broome, who is a Director of the Toronto Real Estate Board, has been with the Chartered Trust and Executor Company for the past sixteen years, and was Assistant Manager of the Real Estate Department, in charge of Sales.

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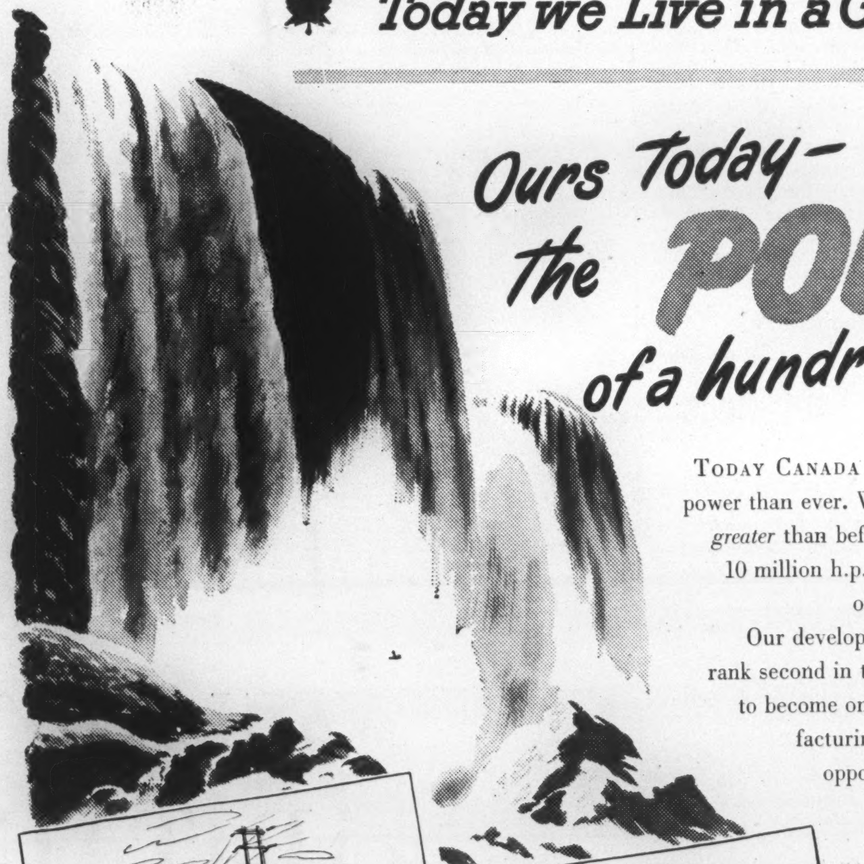

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OTTAWA LETTER

Wheat Board Bill for External Trade Has Domestic Corollary

By WILFRID EGGLESTON

Ottawa.

THE FACT that the Wheat Board bill was so overwhelmingly endorsed by recorded vote in the House of Commons does not necessarily guarantee that it is wise legislation. It may mean no more than that the majority of those Canadians directly affected by it are prepared to experiment with it, and that the elected members of parliament had their ear to the ground before they cast their vote.

In two hours a couple of members of the Senate last week subjected the bill to the most damaging criticism it has suffered to date. It subsequently passed the second reading in the Upper Chamber "on division": and in view of the overwhelming vote given to it in the House of Commons it is a foregone conclusion that the bill, or some version of it, will soon become law. But before it is reported back to the House of Commons it has to run the gauntlet of the Banking and Commerce committee of the Senate. This is traditionally one of the ablest committees on Parliament Hill. I shall be greatly surprised if the members do not propose some fairly radical changes in the bill.

The government may not accept such changes, of course, and with the top-heavy vote in the Commons in favor of the bill as it was sent to the Senate: and with the natural disinclination of a large Liberal majority in the Senate to embarrass the government unduly, the Red Chamber may not insist. But this is one of the most far-reaching pieces of legislation ever enacted on Parliament Hill, and this is the kind of occasion which gives the Senate a chance to show the people of Canada that it is worth its salt. The principal value of a second legislative chamber is that it provides the machinery for "second thoughts" on momentous policies which may be highly popular at the moment and may sweep through the Commons with little opposition, but which contain grave threats to fundamental values.

Two Questioners

The two senators who raised a large question mark over both the general character and the detail of the wheat marketing legislation were veterans of the grain business themselves: Senator Norman McLeod Paterson, who describes himself in the Parliamentary Guide as "grain merchant and ship owner" and who is president of N. M. Paterson and Co. Ltd. and Paterson Steamships Ltd. (among others); and Hon. T. A. Crerar, one of the grand old men of cooperative grain marketing in western Canada.

Those making a special study of the question should acquire and read the full text of the two speeches, which were made in the Senate on Wednesday, April 23. The best I can do here is to report the flavor of the debate and single out two or three key features.

Senator Paterson traced the contribution made by the private grain trade and the Winnipeg Grain Exchange to the orderly and efficient marketing of grain, from the first meeting of the Exchange in 1887. He reviewed the long series of parliamentary inquiries and royal commissions which have investigated the contribution of the private trade and its cost to the industry. He quoted tributes from various sources. He examined the experience with a wheat board in the First Great War.

"Far from being a time of free trade, the 1930's marked the culmination of swiftly rising protectionist policies the world over. This was indeed the hey-day of bilateral deals like the present wheat agreement; of quotas; of embargoes; of exchange devaluations and restrictions; of arbitrary valuations for customs purposes; of prohibitive *ad valorem* and specific tariff duties. . . What happened in the 1930's was that Canada's export surplus of wheat fell upon a restricted world market, which was unable to sustain it."

Destroying Machinery?

Senator Paterson deplored the prospect that the closing of the Winnipeg Grain Exchange for four years more meant that "in that time the magnificent machinery developed over sixty years may in great part be destroyed." He quoted a telling passage from an address by Hon. Ray Atherton, U.S. Ambassador to Canada, to the effect that "government monopoly in external trade cannot for long exist except in combination with government monopoly in domestic business." And he summed up his own doubts about the legislation in the following words:

"The bill raises many and serious questions. For examples: whether the public should underwrite this colossal and unprecedented sale of wheat futures; whether the pool period should be an annual or a five-year period: whether the legislation should expire in 1948, with the provision that it may be continued by order-in-council; whether part II, with the board's permanent control over elevators, mills and railways, is necessary; whether part IV with its prohibition of interprovincial trade, goes further than need be and strikes a new history-making blow at freedom of trade between the provinces. Truly these are grave questions."

Senator Crerar attacked the underlying principle of the bill, which, he said, made the marketing of grain a completely rigid state monopoly, and, in effect, puts the whole business of marketing grain in western Canada in a strait jacket from which there is no escape. He lodged a vigorous protest against the wholesale handing-over to boards of all-embracing powers, instead of following what to Senator Crerar seemed a much sounder principle, that of giving such boards no more than the minimum power necessary to carry out the purposes for which they were created.

The war emergency cited in the preamble to the legislation raised another point. Did such an emergency exist any longer? The Government had other ways of implementing the wheat agreement with Britain, Senator Crerar said. It could have gone into the open market and purchased the wheat for Britain, as the United States was doing.

Senator Crerar subjected some of the detail of the bill to close scrutiny, and pointed out apparent injustices and inequities. At the very least the whole thing should be carefully examined in committee. "I am as convinced that, as surely as I am standing here addressing you this afternoon, an overwhelming majority of the Canadian people are against the principle embodied in this measure. The bill should be considered by a committee, and improved, if possible," he said. He hoped that those in authority would reflect on the vast field to which the door is opened by this legislation. "If we are headed for a socialistic and authoritarian state, let us proceed with our eyes open; let us have the matters discussed by the Canadian people."

So far there has been no reply to these penetrating comments. The fact is that such measures as the Wheat Board bill are recognized even by some of their sponsors as evils, but as the lesser of two or more evils. Senator Crerar pointed to the American method of picking up foodstuffs for Europe and suggested we might have gone into the open market in the same manner. It so happens that this week's issue of *Time* reports some of the difficulties connected with this alternative policy. If the government was competing in the open market with the private trade for limited stocks of wheat and other foods, what would happen to the whole price structure of Canada? "Washington economists," *Time* reports, "figure that the index of farm prices rises 17 points every time the U.S. sends $500 million worth of food abroad. The index has risen from 209 in March 1946 to 280 in April 1947." It is the old dilemma of "half slave, half free." Measures like the Canadian wheat board are corollaries of domestic price control; and the great problem is, once having seized the tiger by the tail, when and how to let him loose again.

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Bretton Pact Haunts Truman's Crusade

By DONALD FIELDS

Can the United States pay the cost of the Truman crusade? The answer is yes if this aid is to effect, not the whole reconstruction of certain shattered European economies, but the laying of the foundation for their reconstruction.

However, the financial aspect of the problem must be distinguished from its economic aspect. The financial aspect is gloomy.

Far from increasing total world trade the new American foreign policy is likely to increase merely America's share in a contracted world trade and at the same time throw all major non-dollar currencies into chaos.

MANY Americans wonder if their country will be able to pay the cost of Mr. Truman's crusade. Due to the preoccupation with the political reasons for this crusade, the question of its economic and financial feasibility, although asked by anxious American taxpayers, has received little consideration so far. Yet this question concerns not only the Americans, it concerns every country and every individual.

Almost three years ago, few ordinary people would have failed to put this question ahead of all others, and many ordinary people would have been able to view the problem with intelligence. Such was the world's frame of mind then, in the brave days of Bretton Woods. How many ordinary people would have dreamed in those days that up to now, three years later, the only activity of the World Bank consisted of shuffling and reshuffling its directors? But do not let us get nostalgic for the good old days of three years ago. Let us try to answer our question.

First, the economic aspect. The productivity of the American economy has risen astoundingly in the late war. Its gross national income (on the basis of 1941 prices) was $87.7 billion in 1929, $48.3 billion in 1933, and $171.2 in 1944, the last full year of war. In the latter year, the government claimed 54.4 per cent of the gross national income, most of it of course for war purposes. Of the remainder, 44.4 per cent was spent on consumption and 1.2 per cent on new capital. In the last pre-war boom year, 1929, the distribution of the gross national income was as follows: government 11.4 per cent, consumption 68.2 per cent, capital investment 20.4 per cent.

The present American problem is to increase consumption and capital investment so that between them they make up for the falling away of war expenditures. Only if this is achieved—and achieved on the level of a gross national income which equals approximately that of 1944—can a depression be avoided. It is obvious that gifts and loans to other countries (we are not concerned here with the reasons for such gifts and loans) provide an excellent stop-gap if for some reason or another there appear difficulties in achieving equilibrium between gross national income on the one hand and expenditures on consumption, capital investment and government services on the other hand.

Adjustments

If this equilibrium is established and the government then finds it necessary for political reasons to make gifts or loans to other countries, an adjustment of a different kind will naturally have to be made. Such adjustment may consist of curtailing other government expenditures or, if this is not possible, of letting prices rise in order to contract consumption and capital investment.

However, it is hardly to be assumed that any American government will endanger the equilibrium of its home economy for external political purposes. In the long run such a course will hardly be necessary, either. For if and when the present difficulties of American postwar economic adjustment as well as European political adjustment are overcome, the maintenance of the European political equilibrium will in no small degree depend on the maintenance of the American economic equilibrium.

These reflections answer in part our question about the economic feasibility of the Truman crusade. Naturally, if this question is to mean whether the United States can pay for the economic and political reconstruction of all those countries which cannot get on their feet without foreign aid—and such foreign aid cannot come from anywhere but the United States—, then the answer is no. The United States cannot feed and develop nations the combined number of whose inhabitants is far greater than that of the U.S.

But the United States can help these nations in gaining a basis for their reconstruction and further development, and such help need not interfere with the achievement and maintenance of American economic equilibrium on the level of full employment, that is to say, on a level at which consumption, capital investment and government services, between them buy currently the whole national gross product that is produced under full employment. On the contrary, American aid by gift or loan to foreign countries is well suited to aid the United States in achieving and maintaining economic equilibrium.

Financial Aspect

So much for the economic aspect of the problem. Things, however, look less promising, in fact, they look unmitigatedly gloomy concerning the financial aspect of the problem. This is so because we have not yet, in spite of the experiences of the war, found a way of adjusting the financial management of international trade to its physical necessities and possibilities.

The United States is wealthy enough to give away or lend huge amounts. Britain is not in that position. To be sure, her trade is not doing badly at present, but she can sell only to those countries which can pay cash. The dammed-up postwar demand of these countries will be saturated sooner or later, probably about the same time as when the American loan to Britain is exhausted. By that time, too, the Truman crusade will have established the United States in many European markets which will then be solvent. Instead of being able to buy from Britain, even if they wanted to, these beneficiaries of American foreign policy will be obliged, morally or through the payment of interest on loans, to buy, not exactly from the United States, but from other countries which likewise enjoy American aid. If at that time, too—which is possible—there appear signs of approaching depression in the United States, that country will accentuate and probably expand its political aid program. That a world trade organization, such as is contemplated by the preparatory meeting just taking place at Geneva, can change this situation is more than doubtful.

Thus, while America's economic strength could well serve to increase the total volume of world trade, it is likely merely to increase the American share in a contracting world trade and at the same time throw all major non-dollar currencies into chaos.

All these points were widely discussed at the time of Bretton Woods. The doubts in American economic policy were then suppressed by the hope for a better world. But now these doubts are becoming reality. And American economic equilibrium, instead of becoming a boon to the whole world, is on the way to become, paradoxically, as baneful as otherwise only American economic disequilibrium could be.

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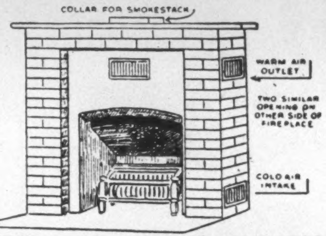

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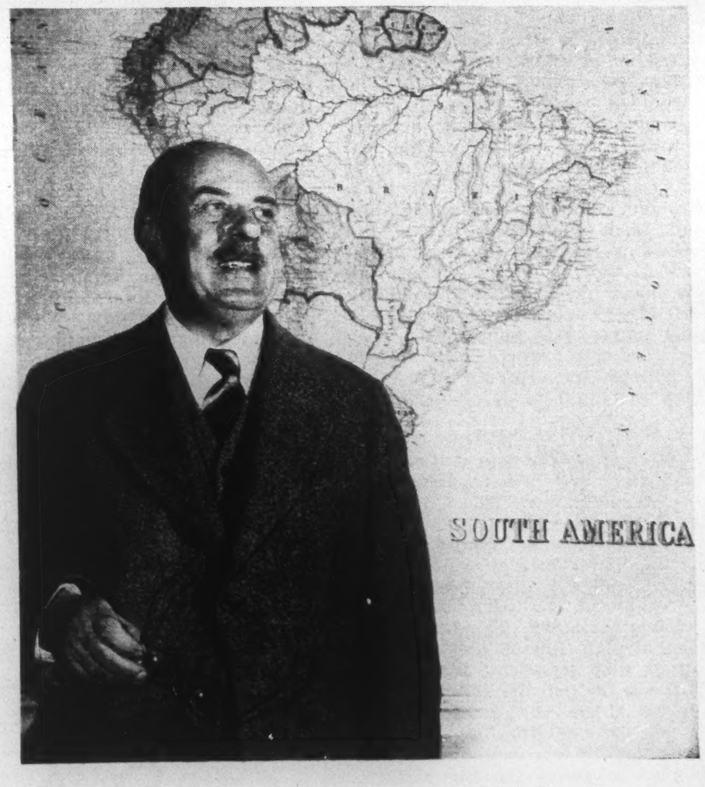

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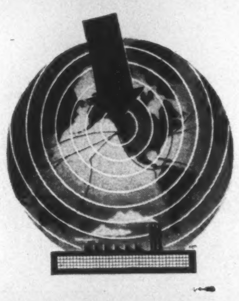

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THE LIGHTER SIDE

Memo for a Time Capsule

By MARY LOWREY ROSS

BY THE time this reaches you most of the records of life on earth will have been scientifically vaporized, and all you will know of us will be what you read in the time-capsules. So this memorandum will attempt to set down in general terms, what the human race was like back in the Twentieth Century and, approximately, how we got that way.

As you have probably surmised, we went in a good deal for world wars a thousand years ago. There were various theories about the causes of these wars. Some people said they were developed by armament rings, and some claimed they were the result of excessive nationalism. A lot of people declared that faulty economics started all the wars, others said they were caused by the worship of science and materialism, while the very advanced thinkers insisted that they resulted directly from the unscientific practice of teaching children to believe in Santa Claus. Nobody seemed able to put his finger exactly on the trouble however; for while billions and billions of dollars were spent in waging wars little or nothing was budgeted for research work to determine the cause of peace. The truth is that no one could work up much enthusiasm for any really large scale plan to promote human comfort. A government would write off a billion dollars to develop an atomic bomb. But if anyone had a really sensible idea for curing the common cold and needed money for his research he had to beg a hand-out from some wealthy old gentleman who suffered from his sinuses.

Immediately after a war, of course, we were very resolute about the organization of peace. Unfortunately we were usually too exhausted by our war-effort to do anything practical about abolishing war. Then by the time we were rested up again we were ready for a new war.

Another curious thing about us was that while we were actually fighting a war we were on the best possible terms with everyone except the people we were actually fighting. We lent everyone else money and sent them tanks and planes and munitions and told them it was a pleasure, and to think nothing of it. We never dreamed of questioning each other's motives or calling each other names. You won't believe this, but good-will towards men seemed to flourish most promisingly when there was least peace on earth.

BY THE end of the Second World War, however, the nations decided they had had enough. From now on there were to be no more national armies and navies, which only led to trouble. There was to be one big international police force which would knock any international aggressor on the head before he could get started. This seemed a splendid plan and all the victorious nations sent representatives to San Francisco to get the thing started. And one of the very first things they did was to establish the Veto.

The Veto, it was explained, was to be used solely by the Big Nations, and only on very special occasions. The idea was that it was to be exercised against anyone who threatened to break the peace, and it apparently hadn't occurred to the originators that it could be used just as handily by anybody who wanted to block it. So it wasn't long before the Soviet delegate was employing the Veto as freely as a sufferer from hayfever employs kleenexes. By this time unfortunately nothing whatever could be done about it, because if someone got up and moved that the Veto be abolished, someone else was instantly on his feet vetoing the motion. It need hardly be added that if this had been wartime and the Veto had stood in the way of getting things done, it would have gone straight into the ashcan, with the hearty concurrence of all present. This was peacetime, however, and in times of peace it seemed impossible for the human race to act with sense, energy and intelligence towards any rational end.

By the time the question of an International Police Force came up, the Veto was working with the highest efficiency, which is more than can be said for the representatives of the United Nations. It was pointed out that even if the International Police Force was all poised and ready to go out and shoot up an aggressor nation, the aggressor nation's representative could always step in quietly at the last minute and veto the expedition, which would make everybody look silly. However, the big nations added generously that since the little nations had their hearts set on an International Police Force, they could have one, on the understanding that it would never be used against the big nations.

"Then how can it be used to settle disputes?" the little nations wanted to know. "It will settle all disputes between the little nations," the big nations replied, hardly pausing to remove their tongues from their cheeks. "After all, the troubles always start in the little nations—look at Serbia and Ethiopia and Czechoslovakia and Poland." "But it's always the big nations who start them," the little nations pointed out. "Possibly. But you can't use the International Police Force against the big nations because the big nations have the Veto," the big nations replied, bringing the squirrel-cage full circle.

SO THAT was settled. In the meantime there were any number of minor problems to be taken up. The landlocked nations for instance were strong on ground forces, while nations with access to warm water went in for land, sea and air forces. How were the quotas to be distributed? How could you equate an infantry division against an Essex carrier, or an Atomic bomb against anything on earth? Then, where was the International Police Force to be used? Obviously it couldn't be used anywhere in Europe or the Balkans or the Mediterranean or the Far or Near East, since that would be sure to involve the big nations and drag in the Veto. In the end it was decided that the International Police Force would be used exclusively to patrol Argentina. It was felt that it could occupy itself sufficiently on the Argentina beat and fill-in its spare time playing checkers and pinochle at police headquarters.

This of course brought up the problem of the International Police Headquarters. Argentina was naturally indignant at the notion of having the International Police quartered on her. The Soviet objected to the proposal that it should be established in the United States, and resisted even more violently the notion of having it snooping around in the Soviet. None of the smaller nations wanted it because it made them nervous to think of the International Police sitting about with their side-arms cocked on *their* territory. In the end, however, the United Nations announced that they had discovered not only the ideal location for the International Police Force but a brilliant solution for all the accompanying problems.

The ideal place for the International Police Force, they declared, was on paper. This took care of everything, and in the meantime the little nations could go on building up the biggest defences they could afford while the big nations continued to assemble the biggest defences possible. This brought us right back to 1939, or even 1914, though from the point of view of time it was somewhere near the beginning of the middle of the end.

You don't need to be told what happened after that; you only need to look around you. But don't think too badly of us for the way we behaved. We couldn't behave any other way in the Twentieth Century stage of our development. We were too frightened to be rational and too rational to be intelligent and too smart to be wise.

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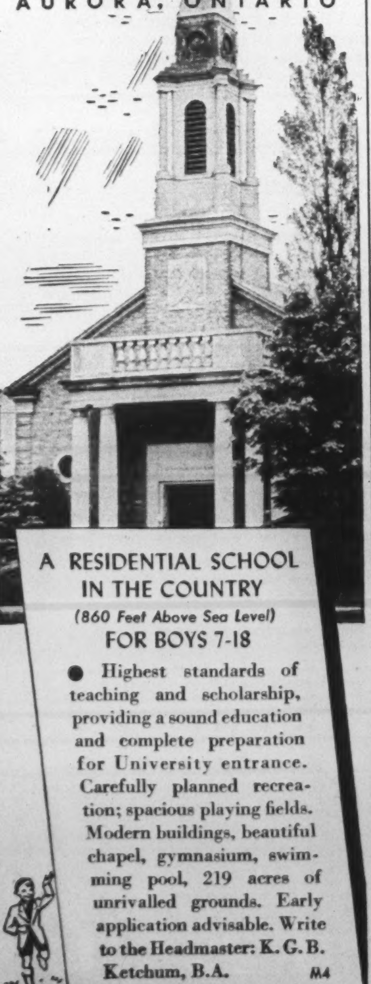

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WASHINGTON LETTER

f U.S. Staves Off Depression, Soviet Will Lose a Weapon

By JAY MILLER

Washington.

THE corner grocery storekeeper who is backing up the current ational drive to bring down prices, s helping to strengthen American oreign relations, although he may ot be aware of it. Anything that mericans can do to stave off a ecession or a depression will pre-ent this country from losing her resent, war-won position of pres-ge and influence in world affairs.

Informed observers at the Moscow onference came away with the con-iction that Russia is merely waiting or another depression to hit the .S. Communist interpretation of he capitalistic state sets forth that here is an inevitable cycle of periods f prosperity and depression. Eco-omic history is cited to support this heory.

Ludwell Denny, scholarly Scripps-oward authority on foreign affairs, ys that Russia is counting on an merican depression. He believes hat a serious economic slump in the .S. would have far graver inter-ational consequences than anything hort of a world war.

He reasons that the most effective merican weapon against world haos at this time is not troops nor ropaganda but rather food, seed, achinery, medicine, technicians and redit. America must help others to elp themselves and to restore ealth and morale in sick countries.

"An American depression," says his writer, "would be used by Rus-a as crowning proof of the failure f Western democracy, and it would e believed by more Europeans and siatics than we like to admit."

A depression is just as much eared in America, especially by ational leaders, who look to its olitical effects. Conservative Alf andon, defeated Republican candi-ate for president, told the G.O.P. hieftains at Kansas City this past eek that "high prices of today are ore dangerous to free enterprise han the Communist Party of the nited States has ever been."

He amazed his Republican audi-nce by offering advice that could ave come from Henry Wallace. He dvocated "soak the rich" taxes and wer tariffs as cures for Commun-m. This is advice the Republicans em to be ignoring.

alt Inflation

Americans appear to have supreme nfidence in the ability of their untry to maintain economic equi-rium. In these prosperous days, e hard times of Hoover and the rly Roosevelt era are forgotten. is true that Social Security has en extended and other safeguards ere enacted by F.D.R. to take some the sting off a depression. Never-eless there is no assurance that ere will not be another depression. fact, President Truman and his visers have warned that there will a slump unless inflation is halted.

A Republican Congress was elected st November on the strength of appeal to voters with the slogan: ad Enough" of price controls? he Truman administration has ne along with that mandate, and e President has ordered abolition June 1, of the Office of Price ministration, the Civilian Produc-n Administration, and the Office War Mobilization and Reconver-n. Most of their functions have eady been discarded, and the few remaining controls such as those on rents, rice, rubber, etc., have been transferred to permanent agencies of Government.

American business is alert to the danger of another depression. The Advertising Council, Inc., non-profit organization which was so successful in wartime in rallying American advertising in support of War Bonds. Famine Relief, the Red Cross, and other national appeals, has mapped out a program to demonstrate how the economic system has given the nation the highest living standards and greatest freedom in the world.

The slogan of the campaign goes thus: "Freedom thrives on plenty while poverty breeds despotism and a totalitarian state." The drive will attempt to show that greater production and wider distribution of American goods stand as a bulwark against despotism and dictatorships.

The campaign was worked out by labor, management and other public interests, and its message will be brought home to citizens through educational messages in advertising. These ten goals of the American way of life will be stressed.

Ten Goals

1. The freedom of the individual to work in the callings and localities of his choice; 2. to contract about his own affairs; 3. to start and manage an enterprise, to invent and profit, to invest in a profit and loss system, to buy and sell in a free market—so long as this freedom does not conflict with public interest; 4. freedom to speak, to inquire, to discuss; 5. protection for the individual against basic hazards of existence over which he may have no control; 6. government action in economic affairs when necessary to insure national security; 7. freest possible competition consistent with public welfare; 8. free collective bargaining—the right of labor to organize and to bargain collectively with employers; 9. expanding productivity as a national necessity; and 10. increased recognition of human values as a prerequisite to better living.

The council will use ads in newspapers and magazines, posters and other media to bring its campaign home to the public. It is based on a report formulated by Paul Hoffman, president of the Studebaker Corp.; Boris Shiskin, A.F.L. economist, and Dr. George Shuster, president, Hunter College. They reported that "by the unparalleled use of power, of machines, of industrial organization, of ingenuity and of human skills, the American people can and do turn out far more for every hour we operate than the people of any other country. Our national record shows that we have had higher living standards and more freedom in the United States than the peoples of any other nation in the world."

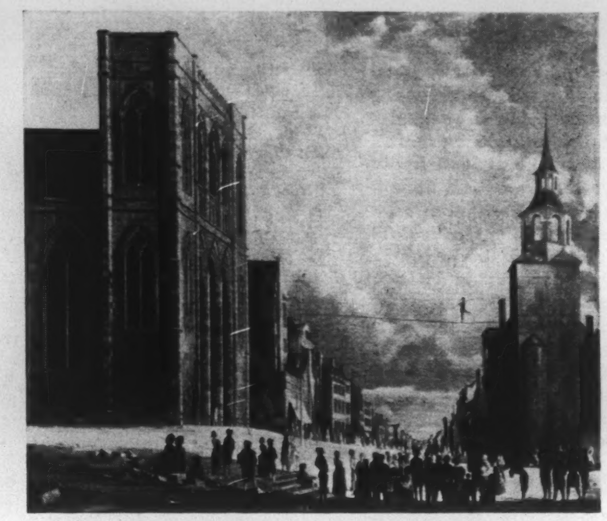
This drive will doubtless do much to stimulate American interest in maintaining a healthy economic situation. If good times continue, General Marshall's hand will be strengthened immeasurably. He stood firm at Moscow and let it be known that the United States can and will if necessary carry on without Soviet cooperation. He is aware that the U.S. still has a job to do in Europe. People must be fed and industries there revived so that a normal life can be restored to Germany and the rest of Western Europe. This is the basis of the Truman Doctrine, that world Communism can be halted only if the people it endangers are made economically healthy and strong.

It is of more than passing interest, that President Miguel Aleman of Mexico, who was given such a rousing welcome on his visit to Washington this week, detests Communism and is said to have a low opinion of Russian conduct of world affairs.

Despite the international as well as domestic dangers inherent in return of another depression, the Republicans are accused of heading the nation toward another "glorious boom and inglorious bust." There is talk that they have started "another uncontrolled spree." Only time will tell, and that time may be short. G.O.P. Congressional leaders are working on the principle that the November vote gave them a mandate to take off Government controls, restore free enterprise, curb labor and cut Government expenses to the bone.

The Republican Congress has already slashed Interior Department funds to the point where Secretary Krug has warned that "this setback might be enough to set off a major depression." He warned also: "You can't hope to head off foreign 'isms' if we cannot maintain a sound economy in this country. I am sure that a business depression in this country would give more aid and comfort to our enemies than any other development."

That is not to presuppose that America regards Russia as an enemy. There is still a segment of the country that thinks cooperation with the Soviet is possible. But that group seems to be in the minority.



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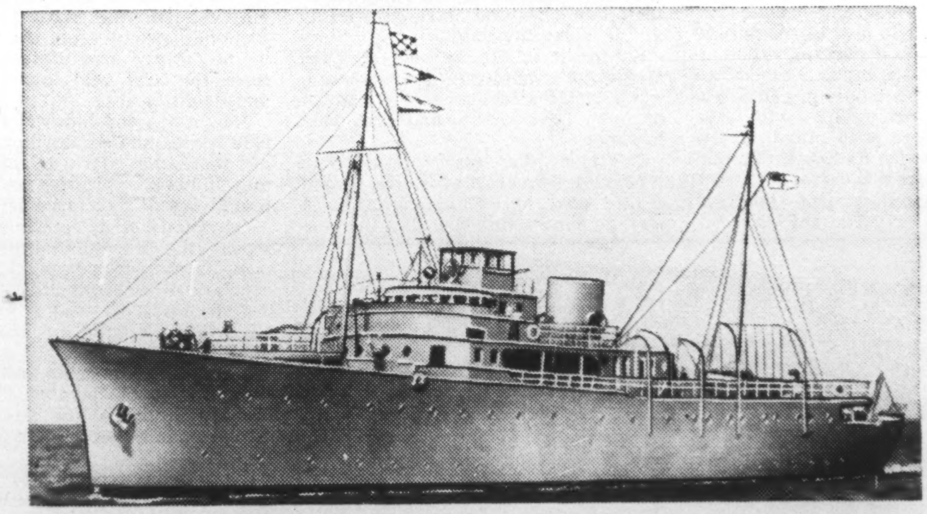

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Odendaalsrust Plans to Be Model Boom Town

By CYRIL WATLING

A year ago, gold was discovered at Odendaalsrust, South Africa. Farmers' fortunes have boomed with the finding of gold on their property. It will be at least five years before the town will have light, water or transportation services and probably ten years before the mines will be in production. Odendaalsrust is determined not to repeat the haphazard town-planning mistakes of Johannesburg and other boom cities. So the plans include hospitals, schools and parks all within a mile of the market square. Some day Odendaalsrust may be a prosperous city but how long it will take no one can tell.

Odendaalsrust, S.A.

LITTLE Odendaalsrust, lying above the world's richest reef of gold, is the shabbiest of all boom towns.

Almost a year after the dramatic strike that made it glitter in the headlines, it still looks like a cluster of tin shanties on a windswept desert.

Squat iron-roofed buildings lie untidily along the dirt-track roads. It has no railway station, no electric light, no running water.

I went there hoping for visible evidence of how a modern Klondike begins grooming itself for the metropolitan future which the Free State gold-fields may one day bring.

There was little new to see beyond a church hall converted into an estate agency, a garage which an ex-Serviceman is building, and a few city slickers mingling with the bearded farmers who stand in the shade of verandas and solemnly discuss the crops and the drought.

Nothing hinted at the fabulous wealth which experts say lies beneath the soil.

It was hard to connect this desolate settlement with the fever that swept through the world's stock exchanges on that April day last year when drillers found a core of gold of staggering richness.

Odendaalsrust's growth is retarded by the paralysis of postwar controls and shortages. Fewer than half-a-dozen permits for new buildings have been granted since the great Geduld discovery.

Drilling operations along the reef are similarly hampered. So scarce is machinery that one company has bought three British submarines and is now dismantling the engines for use as a mining plant.

Shortage of unskilled labor is another problem. The Rand mines need another hundred thousand natives and the Free State will absorb thousands more. Much of this labor comes from Northern Rhodesia, Nyasaland and Mozambique, and to speed up recruitment, a fleet of flying boats, each carrying 50 natives, will soon begin a shuttle service between the Zambesi basin and the Union's gold-fields.

Of the dozen large-scale mines in which gold in payable quantities has been found, only one, miles out of Odendaalsrust, has begun to drive down its initial incline shaft.

The scene here is almost comic. Pumps and drills puff and clank, bare-shouldered workmen sweat in the hot winds from the Kalahari, and around the perimeter wild cats sit on their haunches and stare surprisedly at the noisy invasion.

So far it is the farmers and the landowners—not the gold-seekers—whose fortunes have boomed. Many of them have made, and lost, vast fortunes.

Consider the case of Hendrik Weber, a former mayor. He owned a plot next to one belonging to a cartage contractor. One day the contractor's motor lorry was burned out. Weber wanted the remnants of the lorry for spare parts. So he swapped his plot, then worth only a few dollars, for the derelict truck.

A year later the boom came and the contractor sold Weber's original site for $21,000.

There are many similar stories. Another building plot was sold at 9 a.m. for $34,000; at 10 a.m. it was resold for $40,000. Two hours later it changed hands for the third time at $60,000. Ten years ago a farm laborer exchanged a weed-covered reef for a suit of clothes. Today that reef is worth $24,000.

The only local licensed hotel, which five years ago was worth $20,000, has fetched offers from the big Johannesburg syndicates up to $200,000—offers that have not been taken.

In spite of market shake-outs, sharp declines in prices and official warnings against speculation, the price of land has not dropped.

Buyers remember that the whole area of the Witwatersrand gold deposits, valued at $40,000,000,000, could have been bought 70 years ago for $5,000.

Even the fabulous cities of America have never experienced a rise in land values such as Odendaalsrust's. The 300 pre-boom residents, mostly poor people, form probably the richest little non-urban community in the Empire today. It does not matter to them that at least five years will pass before the town has water, light and transport services, and probably 10 years before the new mines are in production.

A Thriving City

If, by then, the price of gold still covers working costs, and the great expectations centred on the new basal reef materialize, the gold-fields may change South Africa's centre of economic gravity from the Transvaal to the Orange Free State, and transform the arid veld into a thriving metropolitan area.

New cities and industries will provide homes and employment for tens of thousands. British immigrants may find this prairie province the real Mecca of their dreams.

Odendaalsrust is determined not to repeat the town-planning mistakes made in the early days of Johannesburg and other boom cities. The plans include hospitals, schools and parks, all within a mile of the market square.

A satellite township, called Welkom, is also blueprinted. This is to be built by one of the wealthy mining companies as a non-profit enterprise.

Every penny received for plots and business-stands is to be put back into the ground in the form of amenities and services like schools, playing fields and welfare and medical centres. Native workers will have hospitals, canteens and cinemas of their own.

Taking the worst view, and assuming that the new reef is not payable, gold will still have invigorated the Free State to a degree that will have permanent benefits. With their new wealth the farmers — always prudent investors—have already bought machinery and harvesting equipment.

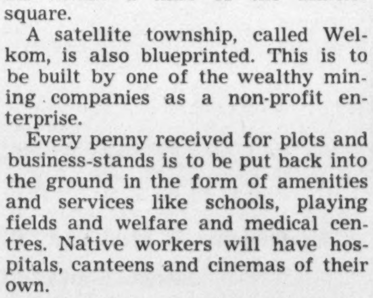
Mechanization has increased output—one reason why the Free State had a record wheat crop this season and enabled bread rationing to be abandoned in the Union.

The wheat-growers, hard-working men who descended from the great old Boer families, are servants of the soil. Gold has not turned their heads, nor has it changed their ways of livelihood.

One of them is tall, blue-eyed Mr. P. P. Van den Heever, who sold his 600-morgen farm to a mining group for $284,000. When Senator Conroy, Minister of Lands, met Van den Heever at the Odendaalsrust Hotel, he asked what he was going to do with his fortune. "I'm going to buy other farms in the Free State for myself and my boys," answered Van den Heever. "I want my sons to have the best start in life."

Odendaalsrust is not a modern El Dorado where the pavements are lined with gold. The reef is there, it is true, and its richness is proven. But it lies thousands of feet beneath the surface.

Plentiful material and labor, abundant skill and energy, backed by millions of capital and topped off with good luck may one day make Odendaalsrust a great, prosperous city. How long that will take no one can tell.



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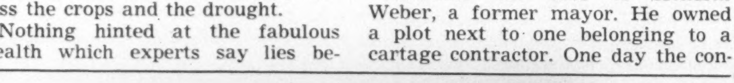

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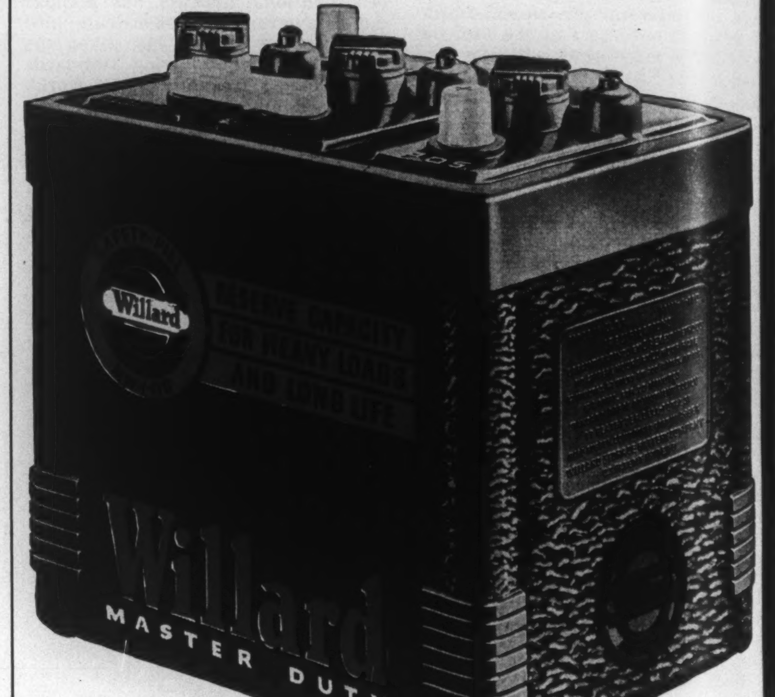

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Winnipeg Leads Way to True Bilingualism

By A. VERNON THOMAS

Canada is slowly becoming bilingual. Winnipeg shows the rest of the Dominion the way to closer relationship with the French. The Walker Theatre puts on many French plays to such perfection that audiences could easily believe the players are natives of France. Several times the Cercle Molière has successfully competed in the Dominion Drama Festival against presentations from Quebec.

French and English were the only two languages used to translate the speeches at the United Conference. Many hurdles of prejudice remain to be cleared before Canadians will appreciate their unique opportunity to acquire a practical knowledge of both French and English.

SMOKING a post-prandial pipe in his Montreal home one recent Christmastide, the editor of a well-known French daily pricked up his ears. Children's voices on the French radio, singing old French folk songs, but not the voices of French children! The editor smoked on and waited.

"You have been listening," said the announcer, "to a choir of English-speaking boys and girls attending the Lord Selkirk School in Winnipeg, trained by their teacher Mr. Godias R. Brunet."

Next morning the editor dipped an enthusiastic pen in his ink-well and wrote an editorial concluding as follows: "What a moving, patriotic gesture! And how full of the Christmas spirit! As long as Canada boasts men and women of goodwill the future holds out bright prospects." Is Canada going bilingual? Many fear that it is. Many hope that it is, believing that such a consummation would be a giant stride towards national unity and understanding.

Let us glance at the situation on the banks of the Red River, the geographical centre at any rate of the Dominion. Here, French got a good start, for at Confederation and for some years afterwards there was more French spoken in Manitoba than English.

Strung along the banks of the river are French towns and villages that have been French from the beginning. And where the Assiniboine, weary with wandering over hundreds of miles of prairie, finds rest in the Red under the very shadow of the cathedral where once stood the "turrets twain" of Roman Mission and where today Winnipeg and St. Boniface view each other in friendly rivalry, French, if by no means in everybody's mouth, is nevertheless a very lively tongue.

Commuters

St. Boniface at the present time has a French population of about 10,000. Every day at least 70 per cent of the employed population crosses the river to work in Winnipeg, in the large stores, railway offices, banks, insurance and trust companies, etc., while others are lawyers, doctors, dentists and teachers. Last but not least, one is a Winnipeg county court judge "and a good judge too."

Moreover, many Winnipeggers, most of them new Canadians, leave their homes daily to work in St. Boniface, in packing plants, flour mills, oil storage plants and other heavy industry. These people who shuttle to and fro are all bilingual to some extent, the French completely so.

But what of cultural French? The Montreal editor who perked up his ears on hearing Winnipeg boys and girls singing French folk songs would have been equally intrigued had other Winnipeg voices reached him by radio. Let us kidnap him, blindfold him, put him on a magic carpet, and set him down in the Walker Theatre before its recent tragic conversion into a movie house.

Alphonse Daudet's "L'Arlésienne" is being played, with an orchestra rendering selections from Bizet's opera of the same name. The actors are all French. Our editor might believe himself in Lyons, or Marseilles. On these same boards he could have attended a succession of other French offerings, among them "Le Chant du Berceau," "Les Soeurs Guédonnec," "Le Voyage à Biarritz," "Les Romanesques," and many others.

This French theatre, contributed by the Cercle Molière, is largely the gift to Winnipeg of two people. It was indeed an auspicious day for the city when Arthur Boutal and Pauline LeGoff, coming respectively from Brittany and Angoulême, left their native France to start life again in Western Canada. Incidentally Mr. Boutal was born at Bergerac, whose Cyrano accomplished fabulous feats in love and war. Arthur Boutal and Pauline LeGoff met in Winnipeg and were married in France at the close of the first world war, Arthur having served with the French forces and Pauline having done women's war work.

The Cercle Molière several times competed successfully in the Dominion Drama Festival against presentations from the province of Quebec. In 1936 it won the Governor General's trophy with "Les Soeurs Guédonnec," in the cast of which was Gabrielle Roy, author of "Bonheur d'Occasion." In 1938 the Cercle won the same trophy with "Le Chant du Berceau." Talented actors themselves, Mr. and Mrs. Boutal have had the happy faculty of inspiring and developing talent in others. Since Mr. Boutal's untimely death six years ago Mrs. Boutal has carried on in the same high tradition.

Playhouse French Offerings

St. Boniface College, an affiliate of the University of Manitoba, has, with the help of its alumni, also given Winnipeg a French theatre. Its offerings in the Playhouse, municipally owned and operated, have become a Winnipeg institution. During the past two years the College has presented "L'Ame Huronne," a dream of the Huron Indians in five acts; "Bibi," a sociological study with the scene in and near Paris; "Une Affaire d'Or," a three-act comedy, and "Copains," a modern tragi-comedy.

Again, we might have set down our blindfolded editor at a meeting of the Alliance Française in the Fort Garry Hotel. The speaker is none other than Georges Duhamel, one of France's best-known contemporary novelists. Or it might have been André Siegfried, noted publicist, who also addressed the Alliance in French within the past year or so.

The Winnipeg branch of the Alliance Française, an organization with world ramifications, was inaugurated in Winnipeg through the efforts of Prof. W. F. Osborne, former head of the French Department of the University.

The French consuls at Winnipeg and frequent visitors from the French Embassy at Ottawa, have rendered yeoman service to the Alliance Française, whose membership is approximately one-third English-speaking, one-third French Canadian, and one-third old-country French, Swiss or Belgian.

On Prof. Osborne's retirement some 10 years ago Mrs. Gertrude Kilvert, born in Montreal and educated in Paris, undertook the leadership of the Alliance. Under Mrs. Kilvert, who, by the way, is one of Winnipeg's prominent businesswomen, the Alliance grows steadily in numbers and influence.

One afternoon last May the voice of Premier Stuart Garson was heard all over Manitoba, speaking in French. The Premier was joining in the general congratulations of English and French-speaking citizens, including Lieutenant-Governor R. F. McWilliams, to Radio St. Boniface on its official opening. This was the first occasion on which an English-speaking premier of Manitoba had spoken publicly in French. Mayor George MacLean, of St. Boniface, offered in French the congratulations of his city.

The station has a weekly program entitled: "Let's Learn French," for English-speaking listeners. Upwards of a thousand applications from people in all walks of life and of all ages were received for copies of the mimeographed lessons. Officially the teacher is a "Monsieur Paul," but it is an open secret that in reality he is Prof. C. Meredith Jones, head of the University's French Department. Not to be outdone the C.B.C. last fall started a program of French lessons for listeners in Manitoba and Saskatchewan, the latter province having expressed a wish to be included.

Language Students

Here are a few figures worthy of note. At the University of Manitoba 1,666 students are taking French courses under 10 teachers, while in Winnipeg's high schools 9,062 pupils are learning the language, making an impressive total of 10,728 young people learning French. This does not include 2,172 St. Boniface school children who are either French or are learning French, nor does it include the 300 students of St. Boniface College, who are practically all French.

A year or two ago students of the French Department of the University performed a *tour de force* which should not go unmentioned. They went over to St. Boniface and presented Molière's "L'Avare" to a French Canadian audience. The performance was not only well received, but by request was later repeated at the Manitoba French village of Notre Dame de Lourdes. In the cast were players of English, Scotch, Jewish, Ukrainian and German ancestry.

French is frequently called the language of diplomacy, but it is more than that. It has at least some of the requisites of a universal tongue. At the San Francisco Conference of the United Nations, French, although not one of the official languages, virtually became one because it enabled delegates to express ideas with clarity and without ambiguity.

Again, it was notable that at the Assembly of the United Nations at Flushing, N.Y., last October translating at meetings of the full conference was confined to English and French.

Winnipeg has a growing number of English-speaking citizens who are quite capable of getting on their feet and delivering a speech in reasonably good French. Mention has already been made of Premier Garson's prowess in this respect. His cabinet colleague, C. Rhodes Smith, incidentally a Rhodes scholar, can also speak in French when the occasion warrants it.

Chief Justice E. K. Williams of the Manitoba Court of King's Bench, recently appointed, spoke in French to a group of lawyers a year ago in Montreal when vice-president of the Canadian Bar Association. Hon. J. T. Thorson, President of the Exchequer Court of Canada, made many a speech in French, and in Ukrainian, and also in his native Icelandic, when active in Manitoba politics. Prof. A. R. M. Lower, of United College, Winnipeg, writer of a recently published Canadian history, speaks from time to time in French to various groups.

John Bird, formerly editor of the Winnipeg *Tribune*, when president of the Winnipeg Canadian Club introduced Father Arthur Maheux, of Laval University, in French. When Henri Bourassa addressed the Winnipeg Press Club some years ago the vote of thanks was seconded by an English-speaking member in French.

True, many hurdles of prejudice remain to be cleared before the Canadian people, or a majority of them, appreciate their unique opportunity to acquire a practical knowledge of both English and French and of the spiritual possession which that implies. But we are moving, it would seem, albeit slowly, toward that desideratum. It was notable that in a recent speech at Shawinigan Hon. Vincent Massey said:

"Bilingualism seems to be one of the solutions to the creation of mutual understanding and a sincere amity between Canada's two great races. In this regard the French Canadians have set us a splendid example, and it is encouraging to know that an increasing number of English-speaking Canadians either speak, or are learning to speak, the French language."

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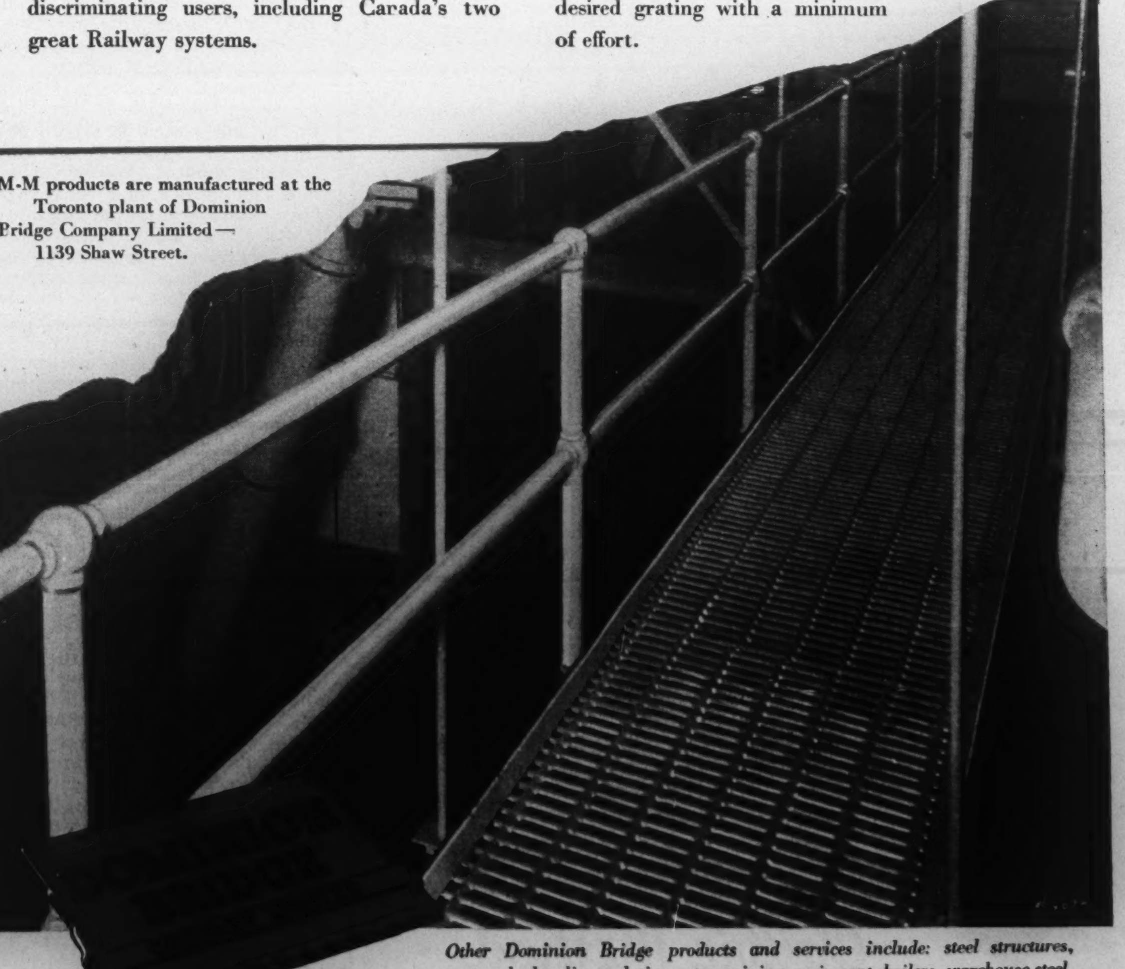

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THE WORLD TODAY

Does Burnham Overstate the Case? Is His Program Workable?

By WILLSON WOODSIDE

THERE cannot have been many instances of better timing than the issuance of James Burnham's book, "The Struggle for the World" ($3.50, Longmans, Green) just at this moment. Everywhere throughout the Western world, as the peace discussions fail, atomic control discussions lead to nothing, and the U.N. stands shackled by the veto, people are asking: "What can we do to avert a crack-up of our civilization within the next twenty years or so?"

Burnham at least offers a plan, whatever one may think of it He believes in action, and he knows what action he would take. And I think that his hard thinking and plain talking will do Americans far more good than harm.

One thing which his own incursion into Marxism during the hungry 'thirties did for Burnham was to clear his thinking of the wishing and moralizing which he finds a too-common attribute of his countrymen. Another thing it did was to give him a clear understanding of the aims and operations of the Communists.

Burnham's thesis might be stated like this. The Third World War, with the aim of securing Communist domination of the world, is on now. The only way of preventing this war from reaching the all-out phase of atomic destruction, and the only way of winning it decisively, is to maintain an atomic monopoly and form a non-Communist world federation.

Taking the leadership in forming such a federation becomes, then, "the only rational objective for U.S. foreign policy." This federation can be built, Burnham believes, "by the use of generous concessions and superior power."

The United States has these means at her disposal, in her immense productive power and her current monopoly of both the atomic bomb and very long range bombing planes, and she should set out without any loss of time to gather all the non-Communist-dominated nations of the world into an association to which he refers at one moment as a free federation, and at others, with seeming frankness, as an American Empire.

Debate Over Means

I say "seeming frankness," for the big debate over Burnham appears to be developing over the means he suggests, and the goal of empire which some find he has "revealed" as his true aim.

I don't think that Burnham is "revealing his true aims" in using the term "American Empire." If he had such aims he is quite smart enough to conceal them. Instead he uses the term empire over and over to stir "woolly-minded" Americans into thinking more realistically of the methods which, he believes, they will have to use to bring about a non-Communist world association in the time which remains. For this is another key to his thinking, that he does not believe there is time to work out an ideal solution of world government.

What Burnham means by his American Empire is shown when he includes Canada within its present borders. What he means, and makes quite clear, is that for practical purposes Canada has to follow any determined lead in world politics or economics. Without interfering at all in our domestic politics or openly dictating our foreign policy, the United States, he believes, has sufficient influence over us to carry us along into a wider federation.

This is, indeed, a very gentle imperialism, and one to which Canadians have become increasingly used, scarce noticing the rub of the yoke. Would not most of us admit, for example, that we haven't much choice but to "go along" with the United States in the defence of what they look upon as their open frontier on the Arctic? Since it happens that we have much the same concern as the Americans over this defensive problem, we feel no compulsion and no resentment. But we are not really free to say that we *won't* look to the defences of this northern frontier and won't allow the Americans to do so.

Not Always Painless

Burnham does not claim that his "imperialism" would be quite so painless in every instance. In his impatience he speaks a little wildly about an "immediate" appeal by the American President to Britain and the Dominions to join in a close political union with joint citizenship, "*with a hint in the background of the black meaning of refusal of the offer.*"

Now I think that a generously-worded appeal by the President of the U.S.A. for union of the British Commonwealth with the United States would receive very serious consideration in Britain and the Dominions and have an electrifying effect throughout the world.

I am moreover convinced that it is the biggest and most feasible step which could be taken within the next few years to consolidate and secure the free Western world, *and most particularly Canada.* (In fact it would be so much to our advantage that it is surprising no Canadian political leader has taken up serious advocacy of such a scheme.)

However I am sure that Burnham is wrong in thinking that implied threats are needed or would be helpful in effecting such an English-speaking union. Again let us say for him that he is a man in a desperate hurry—and he may be right in that, while others are sleeping away the precious hours. He gives us four or five years, "much more improbably ten years," before we are engaged in an atomic war, at the present rate of drift.

He believes that someone must lead; that the only nation strong enough to do this is the United States; that in the process it is as inevitable that some smaller countries will have to be picked up by the scruff of the neck, but it is all for the good of everyone.

Nevertheless I think he underestimates the nervousness and even fear of America's great power which would be caused in many of the countries on which he is counting for his empire-or-federation — France is the perfect example, but there would be many others in Europe and Asia which would shy away from the new super-power were the United States to attempt to *force* a union with Britain and the Commonwealth.

One should not underrate the effectiveness which Communist and Wallace-ite propaganda about "naked American imperialism" might have across the world in such a case. Nor should one overrate the love of the whole world for Uncle Sam, generous as he has been with Lend-Lease and U.N.R.R.A.

If the United States cannot produce the inspired political leadership which could bring about an English-speaking union without a hint of force or economic sanctions, is it likely that she will be able to fulfil the rest of Burnham's great program by any other means than imperialism, which would put an end to all talk of it being a "democratic world federation?"

Burnham's next step is to "swiftly build a European federation, joining all those Continental countries not now under Communist domination and, as its attractive power grows, drawing to itself the victims now behind the iron curtain."

Here I agree that he has named accurately the second most pressing political problem facing Western statesmanship, the unification of Europe. And I believe that, as he says, a free, federated Western Europe would have a powerful attraction for the peoples of Central and Eastern Europe, not one of whom has ever given the Communist Party a majority in a free election. I would only quibble over the word "swiftly."

Actually sentiment for union—economic union at least—is developing with quite surprising rapidity in Western Europe. Belgium, Luxembourg and the Netherlands are in process of forming a customs union. The U.N.'s new Economic Commission for Europe is a hopeful outgrowth of the wartime European Coal Organization, European Central Inland Transport Organization, and the Emergency Economic Committee for Europe.

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for this sentiment to develop through decades or generations. Someone must lead and encourage the development. But I think that the greatest difficulty it would face would be exactly the one which would be stirred up by an abrupt or forceful American approach: the fear that the United States wanted to use Western Europe in an eventual atomic war between her and Russia. The strong and active European Communist parties would shout this to high Heaven, and many would believe them. Moscow would send these cohorts into the picket lines all through Western Europe, perhaps into civil war, before allowing this project to be realized.

I would go about things quite differently from the way Burnham recommends; and this may be partly because I put a somewhat longer estimate on the time we may have available. While no one knows when or how a war might start—in Trieste, Turkey or Korea—any time after the Soviets, with German help, build their own atomic bombs, I reckon that it will be fifteen or twenty years before the Soviets are ready with all the necessary intricate electronic development, to shoot intercontinental atomic rockets over the North Polar region. It may be a decade or more before they have intercontinental strategic bombers, like the new American B-36.

Time for Building Peace

Put it another way, there are probably a dozen years left in which to build peace. This should be built through the U.N. Only in this way will sufficient small and medium nations follow the lead of the United States without fear of domination. Only in this way will the initiative have enough moral power. And only in this way will the necessary leadership and personnel for the running of such a vast project be secured. By herself the United States simply does not have the trained personnel to run a world empire.

Let the United States bring on a debate in the U.N. on the veto question, on international atomic control, and an international police force with world-wide bases.

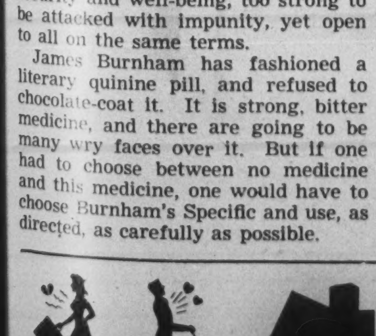
If the United States were willing to give up her own big-power veto, yield her present atomic monopoly to international control, as she has offered to do in the Baruch proposals, and place her great forces and military bases under control of a United Nations organ, the smaller members would be completely reassured as to her disinterested motives.

If Russia, on the other hand, were not willing to accept these limitations and controls, the members could draw their own conclusions as to *her* motives, and allow her to withdraw from the United Nations.

The critical point would be, of course, the number of nations who would walk out with Russia either because they were already dominated by her Comintern quislings, or because they feared to offend Russia by joining with the United States in what Moscow would call a "war-mongers bloc," aimed against her.

One can be sure, however, that this number of Communist-dominated or fearsome nations will increase unless we do adopt a bold policy which will check the spread of uncertainty, misery and chaos in the world, and instead build up an area of increasing security and well-being, too strong to be attacked with impunity, yet open to all on the same terms.

James Burnham has fashioned a literary quinine pill, and refused to chocolate-coat it. It is strong, bitter medicine, and there are going to be many wry faces over it. But if one had to choose between no medicine and this medicine, one would have to choose Burnham's Specific and use, as directed, as carefully as possible.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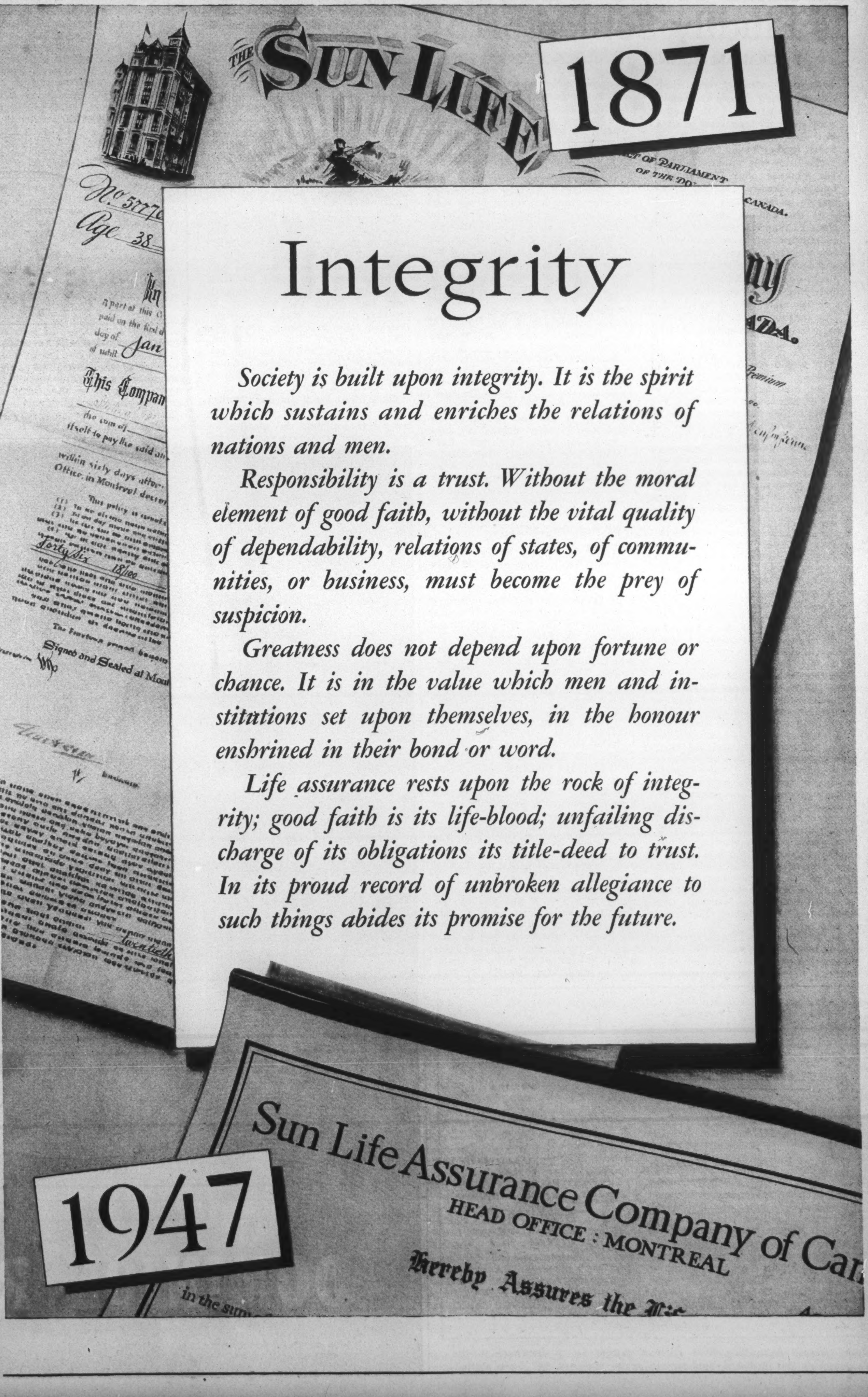

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Life assurance rests upon the rock of integrity; good faith is its life-blood; unfailing discharge of its obligations its title-deed to trust. In its proud record of unbroken allegiance to such things abides its promise for the future.

"Battle of the Gauges" Is Finally Settled

By GRAHAM McINNES

Australian railways with their different sized gauges are notoriously cumbersome. The gauges vary not only from state to state but also within states. When Pearl Harbor came this glaring inefficiency was more noticeable. For instance after Darwin was bombed, heavy supplies were unable to reach it.

At the end of the war, Sir Harold Clapp was asked to find a permanent solution. Last year, his proposals were considered and accepted. The plan has been worked out to such detail that no main line will be out of commission for more than a week-end. This scheme will be an immense help in the development of the interior.

HOW would you feel if you had to change trains three times, and ride on four different railways, between Montreal and Vancouver? How would you care to be tossed out of your streamliner in the chill dawn at, say, Hornepayne, Ont., and transfer to a Toonerville Trolley that made half the speed on twice the curves? As a shipper of goods, what would be your reaction to see those goods laboriously transferred from boxcar to boxcar, and what effect would it have on your balance sheet?

The Australians have been in this position for over 50 years. Periodically they have rebelled at their multiplicity of gauges, but it took World War II to get them worried enough to do something about it. Now at last they are tackling the problem in real earnest. Last August the Commonwealth and three of the States most vitally concerned agreed to spend $240 millions over the next 12 years to do the job.

By that time you'll be able to travel the 3,500 miles between Brisbane in the east and Perth in the west as easily as we now travel from Halifax to Vancouver. By that time there will be standard 4 ft. 8½ ins. railroad from coast to coast and the crazy Gilbert and Sullivan pattern of Australian railroads, which sprang originally from the rivalry of two jealous engineers—one Scottish and the other Irish—will be a thing of the past. But up until now it has all been a terrible headache.

Australia is a big country; almost exactly the size of the U.S. and not much smaller than Canada. Railroads are as vital to her economy as they are to ours. She has vast, sparsely populated areas, seasonal payloads (wool and wheat), climate extremes and rugged terrain.

Her 30,000 miles of track place her second to Canada in world per capita mileage. Furthermore, all her railroads are publicly-owned, and the taxpayer therefore has a vital interest in their efficient operation. Yet before World War II, her vast mileage presented a comic opera against which the efficient railroader strove in vain, and which cost the nation millions annually in high operating charges.

Gauges vary not only from state to state, but frequently within states. Reading from left to right, the state of Western Australia has 3 ft. 6 in. and 4 ft. 8½ ins. gauge; South Australia has 5 ft. 3 in., 4 ft. 8½ ins. and 3 ft. 6 ins.; Victoria has 5 ft. 3 ins. and 2 ft. 6 ins.; New South Wales has 4 ft. 8½ ins.; Queensland has 4 ft. 8½ ins., 3 ft. 6 ins. and 2 ft. 6 ins. How did it ever happen? Like most seemingly bizarre situations, there was a reason for it, and, though a bad reason, it was a potent one: colonial jealousy.

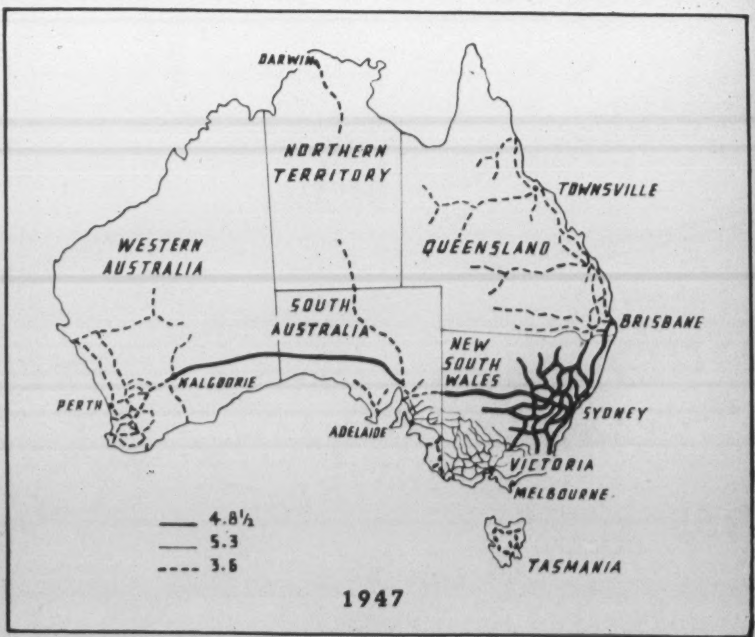
Australia was settled chiefly at a number of key points on the east coast. The settlement became the chief port and later the administrative and industrial centre. From it railroads spread out to place the hinterland under tribute to say, Sydney rather than Melbourne. Each self-governing colony was responsible directly to Britain, and when railroading began in the 1850's, federation and broad national thinking were almost 50 years away.

Irish Sentimentality

When New South Wales had the railroad mania, she consulted with Victoria and South Australia on what type of track should be built. Her chief engineer at that time happened to be an Irishman with a sentimental fondness for the 5 ft. 3 ins. broad gauge of his native heath.

His persuasiveness carried the day and all three colonies agreed on that gauge. Then there was an election in N.S.W. and the Irishman was replaced by a Scot with a grim devotion to the 4 ft. 8½ ins. (now known as Standard) gauge. He cancelled the previous plans. An enraged shout went up from the other two colonies which had both started building 5 ft. 3 ins., but the Scot stuck to his guns. Victoria and South Australia retired in a huff, and what is still known down under as the "Battle of the Gauges" was on.

Meanwhile, the less populous colonies of Queensland and West Australia, cursed with small budgets and steep hills, began construction of 3 ft. 6 ins. gauge. Finally the sugar companies and some of the mines came along with 2 ft. 6 ins. and by the time the colonies were ready to consider federating as states, which they did in 1901, it was too late to turn back. The crazy steel quilt had been frozen in over 20,000 miles of track, and as each state owned its own system, the taxpayers were not interested in costly standardization. Instead, they introduced a system of discriminatory freight rates designed to channel as much traffic as possible into their own ports.

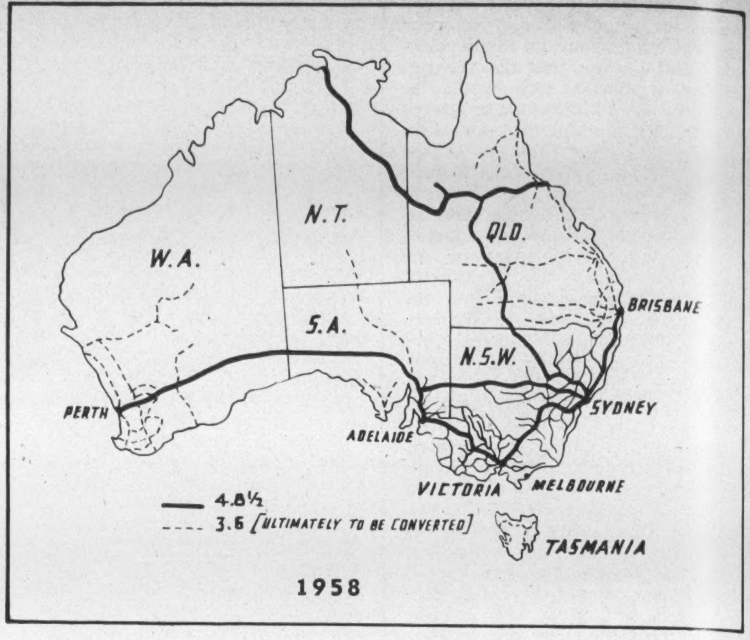


At present Australia's three railroad gauges are a drawback to the country's development but conversion to standard has been started.

However, Western Australia, like British Columbia, demanded as the price of entering federation, a transcontinental railroad, and this was completed, by the Commonwealth in 1917, on standard 4 ft. 8½ ins. gauge. This meant that both the Australian and the N.S.W. governments were committed to Standard. Further, N.S.W. is the richest and most populous state. Thus, if unification were ever to come, the scales were weighted heavily in favor of Standard.

The Australians had many Royal Commissions into the railroad situation in the 40 years between federation and World War II. All of them agreed that unification was the only answer. Only thus could cutthroat inter-state competition be stopped; only thus could the continent be properly developed and the national interest take precedence over sectional viewpoints. But the commissions were never able to get the Commonwealth and the states to agree on how they would share the $250 to $300 millions involved.

Then came Pearl Harbor. Within a few months the Jap was at Australia's throat, and the glaring inefficiency of the Australian railroad systems overnight came close to a tragedy. Darwin in the north and Townsville in the north-east were bombed, and heavy supplies could not reach them.



By 1958 conversion will have achieved the standard network shown above.

There was no rail connection to Darwin and only an unconscionably slow 3 ft. 6 ins. route to Townsville. Strategic main lines hugged the coast and were subject to enemy attack. Tens of thousands of U.S. soldiers

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under MacArthur and millions of tons of supplies clogged the railroads unmercifully. On top of this Australia had to move all her own men and supplies from the south east to the north.

The Aussies rushed stopgap measures. They built in three months an all-weather strategic supply highway to Darwin. They used coastal shipping to move heavy cargoes, despite the danger of attack. They poured every available piece of rolling stock into the battle for supply.

But what good was a 5 ft. 3 ins. Victorian locomotive in 3 ft. 6 ins. Queensland? How did it help to load a hundred boxcars in Adelaide, only to have to trans-ship twice before they could be unloaded at Brisbane? The Aussies cut out all movement of non-essential goods, but it was only the battle of the Coral Sea and the fighting around Kokoda that saved the railroads from disaster by removing the immediate threat of the Japanese armies.

Determined not to be caught napping again, Commonwealth Minister for Transport, E. J. Ward, instructed Sir Harold Clapp, Director General of Land Transport and former head of the Victorian State Railways to find a permanent solution for the problem of the gauges. That was late in 1943.

Early in 1945 Clapp presented his report and in July, 1946, the Australian cabinet agreed to go ahead with his proposals, in conjunction with the three states of New South Wales, Victoria and South Australia. Western Australia and Queensland didn't feel like coming in; but they are to be approached again after the election and it is certain that they will cooperate. The island state of Tasmania is not affected. Legislation has now been passed by the Commonwealth and states concerned, and work is getting under way.

The Plan

Clapp's proposals in brief are: 1. Construction or conversion to standard of a through route from Perth, W.A. to Brisbane, Q., including the conversion of the entire Victorian and South Australian systems (6500 miles) from 5 ft. 3 ins. to Standard. 2. Construction of a standard strategic and developmental railroad far inland in western N.S.W. and Queensland, linking up with both Darwin and Townsville, whose existing lines will also be converted to Standard. 3. Ultimate conversion to standard of all trackage in Australia save a few unimportant branch lines. The cost of the scheme is about $240 millions and 100,000 man-years of labor; it will not be completed till 1958.

By placing this project against the Canadian scene, some idea can be gained of the magnitude of the work involved. In terms of Canadian railroading, it would mean, as a minimum, relaying the entire C.N.R. and C.P.R. systems in Ontario and Manitoba, building a new railroad from Winnipeg, via Prince Albert to Yellowknife, and relaying the C.P.R.'s entire main line from Calgary to Vancouver.

But now that Australia has decided on unification, she is proceeding with this immense undertaking in a big way. The problems involved are stupendous. Take for example, the case of the state of Victoria, whose entire 5,000 mile system of 5 ft. 3 ins. must be converted. The work falls into two periods: a preparatory period of four years and a conversion period of three. Yet the plan has been worked out in such detail that, despite the immense amount of work entailed, no main line will be out of commission for more than a weekend, and no branch line for more than a week.

To Australians, the scheme means the realization of railroadmen's dreams half a century old, the provision of a well-knit and efficient railroad system, the development of the interior and the creation of thousands of long-term postwar jobs. To Canadians it serves notice that Australia regards her Pacific responsibilities sufficiently seriously to undertake the greatest and most expensive engineering project in railroad history.

England Is to Have A National Theatre

By SYDNEY CARROLL

In London's planning scheme there is to be provision for a National Theatre. Built on the south side of the Thames, it will contain two stages, one large and one small. The Shakespeare Memorial National Theatre, the Old Vic and the Arts Council have worked hard to accomplish this. The Government is to allot funds for approved stage enterprises.

In recent years interest in the theatre progressed as never before. It is fitting that some compensation for the hardships suffered by actors during the war should be recognized by the erection of a state theatre.

London.

LONDON is being replanned. It is to be made, so they say, as beautiful, as impressive, as dignified, as was Athens in the time of Pericles. May those hopes be realized.

In the new scheme of things the London County Council is making provision for a National Theatre. Truly national; not simply municipal. It has allocated for this purpose a site on the south bank of the Thames. Placed on the river frontage between the Waterloo and Charing Cross bridges, the building will provide under one roof two stages, one large and one small.

A National Theatre Building Sub-Committee, with Mr. Bronson Albery as chairman, is now engaged in studying the construction (external and internal appearance) of the proposed building. Identified with the project are many distinguished people, including Mr. Oliver Lyttelton, Chairman of the Joint Council, the Earl of Lytton, Viscount Hambleden, Viscount Esher, the Hon. Mrs. Alfred Lyttelton, Professor Allardyce Nicoll, Mr. John Wilmot, Messrs. J. P. Blake, Geoffrey Whitworth, John Burrell, George Chamberlain, Sidney Bernstein, Norman Marshall, Michael MacOwan, Mrs. L'Estrange Malone and Miss Barbara Ward.

Dream near Realization

A dream of the past 67 years is approaching imminent realization. The efforts of the Shakespeare Memorial National Theatre Committee, alternately stimulated and frustrated by the changing times, have at last fused with the work and accomplishments of the "Old Vic," the people's theatre founded by Miss Lilian Baylis.

That fusion, endorsed and supported by the Arts Council (formerly affectionately known as C.E.M.A., Council for the Encouragement of Music and the Arts), has made possible and practicable at long last a National Theatre. Until recently, the British stage has been exclusively individual and independent. But it has always lacked organization.

In 1880 Matthew Arnold, inspired by witnessing performances in this country of a visiting company of Comédie Française players, wrote: "The people will have the theatre; then make it a good one. The Theatre is irresistible. Organize the Theatre." This sentiment has been often quoted. I make no apology for repeating it.

Twenty years after that pronouncement William Archer and Harley Granville-Barker evolved a "Scheme and Estimates for a National Theatre." This contained a comprehensive plan, approved of by many famous players. A handsome gift of money by Carl Meyer formed the basis of a trust fund.

In 1930 Barker returned to the idea, with negative result. Now that he is dead and his plans are more or less forgotten, except by those immediately interested, a National Theatre transcending anything he had in mind is within sight.

One of our finest actors, one who has restored to the English stage the real value of the term "great," who has brought laurels to it from America, France and other countries—Mr. Laurence Olivier—has lately reminded the public that no National Theatre can exist without the requisite "human raw material."

The greatest need, according to him, is the highest standard of administration, directors, producers, playwrights, actors, stage managers, designers, painters, technicians and musicians.

At the present time we have both quality and quantity of human talent in our theatre art. Surely that talent is worthy of a nobler, worthier, more efficient shrine than any the country now possesses.

Like a Beacon

Does it not merit an ideal structure, set in ample space, with typically sylvan English background of trees, shrubs and flowers? Cannot even the dullest among us perceive, rising from the mists of the river, from the fogs of the Metropolis, like a beacon in the dark, a noble theatrical temple, a proper Cathedral of the Drama, in a perfect setting? How impressively it stands . . . serenely beautiful . . . in spacious surroundings, with a superb approach!

If there is the remotest idea of skimping the ideal in any one particular, away with it! Let us have a theatre that will be a greater and finer advertisement for London than the Coliseum was for Rome, the the Parthenon for Greece.

Our National Playhouse must have not only a splendid façade; it must excel all the rest in its mechanical equipment, its facilities must be as good behind as in front. There must be complete comfort in seating and in dressing-room accommodation. Its architect must give priority to audibility and visibility. The theatre must have ample parking accommodation and be made accessible from every quarter.

What, its critics will say, has all this to do with the actor's art, or the playwright's purpose? Cannot the great player tear our hearts out standing on one plank? Perhaps he can. But London is London, the capital of the Empire and the British Commonwealth of Nations. It is a city of many playhouses.

Visitors, strangers, sightseers, come to it from every part of the world. Shall London take a minor place with its chief State Theatre to the State Theatres of Copenhagen, Stockholm, Paris, Moscow, Leningrad, Hamburg, Prague? This is not rhetoric. It is sense. It should inspire public, player, and playwright.

Aroused from Lethargy

We, in Britain, have been slow to recognize the cultural significance of the theatre. To the Old Vic Company and C.E.M.A. I give the credit of arousing us from that lethargy. No longer can the critics justly sneer and fulminate at National Theatre impotence.

Through the Arts Council the Government is generously allotting funds for the encouragement and support of approved stage enterprises. It does so on a principle of undisturbed freedom for the development of individual initiative within prescribed standards.

That movement reached its zenith during war, despite all obstructions. And during the war the theatres have flourished, the Drama League has grown, repertory has increased, general interest in the theatre has progressed as never before.

It is fitting that the compensation, the alleviation, the theatres afforded in our days of peril should be recognized by the erection of a State Theatre. There is no question of nationalizing the Drama, William Shakespeare nationalized it for us for all time.

If we must have a Memorial Theatre in London let it be worthy of his world-wide fame.

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MUSIC AND THEATRE

Opera School's "Bartered Bride" Has Expert Production Finish

By JOHN H. YOCOM

EVER since last December when the Toronto Conservatory School of the Opera presented an evening of operatic excerpts, excitement about the first full-length production had been mounting. This week in two expertly handled performances of Smetana's "The Bartered Bride," the first in the Conservatory's jubilee week of specials, came a climax that justified all the flurry. The students just about filled a bill with talent, unity and pace that went far beyond any producer's rosiest dreams.

Not the least reason for the success was the light opera chosen. Sung in English, it appealed in several elements — vivacious melodies, local Bohemian color, a lively overture, spectacular dances, handsome settings and authentic costumes, consistently singable folk-tunes, effective solo and ensemble material and a smooth interplay of witty dialogue. The plot is constructed of a fast set of romantic and humorous capers in a Czech village at festival time. Well-to-do peasant parents have chosen a suitor for daughter Marie, who loves instead a poor obscure hero. A marriage broker by buying off the lover ties the situation into a granny-knot but in spite of him the lovers get inevitably and properly betrothed before the final curtain.

As the pretty heroine, soprano Elizabeth Guy Benson was effective vocally and dramatically. Her Act I aria "Indeed I will trust thee" was especially appealing. Earl Dick as her lover, Jenik, sang with the well-rounded vocal quality requisite in a romantic tenor as well as with considerable acting ability. Victor White, as a particularly convincing Vasek, Marie's awkward and stammering suitor, and baritone Andrew Macmillan, who distinguished himself in last year's bits and this time vigorously handled the role of the marriage broker, touched off the laughs. The duets of Marie and Jenik (the parting song in Act I and "My dearest sweetheart" in Act III) and the comic one of Marie and Vasek in Act II were brilliant gems that managed to stand out from the cluster. In the secondary role of Katinka, Marie's mother, Louise Roy sang with a sustained fervor that should insure her taking a lead in the school's next production.

Not always were the speaking parts delivered with as careful diction and tone quality as were the singing passages, and Canadian twang and slur detracted occasionally. If the entire show had not been such a well-paced one, perhaps we would not have noticed the lag in business and dialogue at the beginning of Act III when the circus master rather overdid the introduction of his troupe. However, any theatrical deficiencies that occurred may be written off as incidental to the opera school's first full-length effort.

Responsible for the polished acting and smooth production by the young students who come from every province in Canada was New York stage director Felix Brentano, who, incidentally, believes that no opera is spoiled by putting it in English and then ridding it of all theatrical clichés traditional with the form and making it plausible drama. (Brentano's current Manhattan production is a revival of "The Chocolate Soldier.")

Nicholas Goldschmidt masterfully conducted soloists and the 32-voice chorus. Ensemble highlights were the opening festival chorus, the drinking song at the start and the gay choral number at the end of Act II, and the finale "Willingly come we." The orchestra of Conservatory instrumentalists performed with an alert and competent responsiveness. Ballets were spirited and colorful, performed by members of the famed Volkoff School with choreography by the director, Boris Volkoff. The especially brilliant Dance of the Comedians served as good contrast to the predominant and rather repetitive folk dance motifs.

Not only has Canada's first school of the opera done itself proud in its career of a single yet significant year but it has given promise of success in a bigger plan that may bring fame to all Canada, i.e., in developing and promoting a permanent operatic company.

First Prom

The first Promenade Symphony Concert, with Fritz Mahler conducting, was a good augury of the season ahead. The orchestra was quite responsive to the conductor, by sections if not always as a unit. However, before long, sections will be pulled tightly together for every demand, especially those beyond mere entries, rhythm, volume and tempo. Last week the 'cellos and woodwinds did especially good work. However, Mahler was a brave man to have tackled Wagner's Prelude and Love Death from "Tristan and Isolde" which is delicacy on the grand scale (if one can use those terms without being contradictory), and demanding careful control in the build-up from harmonic wisps into glorious brilliance. The deficiencies were in expression rather than in the simple competency to play the music. The attacks and releases were prompt but the finer shadings and blendings were lacking. But the string section's performance of the Bach-Friedman transcription was smoothly done with uninterrupted melodic flow and crisp accenting.

At the May 8 Promenade Concert in Varsity Arena the guest-artist will be Viennese soprano Miliza Korjus.

Guest Soloists

Guest-artist Evelyn MacGregor, popular radio contralto, sang with fine tonal texture, especially in the lower register, and an excellent enunciation. Miliza Korjus, Viennese soprano, will be the artist at the third Prom Concert in Varsity Arena next Thursday. Geoffrey Waddington, well-known Canadian conductor, will be on the podium.

Saskatchewan-born Myrtle Bowman will give a violin recital at Eaton Auditorium, Saturday, May 3, accompanied by Leo Barkin. Her program will include Tartini's Sonata in G minor and Lalo's "Symphonie Espagnole". This brilliant violinist graduated on both the piano and the violin at the age of fourteen. Since then she has been concertizing on the violin.

MYRTLE BOWMAN

Gerald Bales, organist and choirmaster at Toronto's St. Andrew's Presbyterian Church, played the premiere of his own composition "Fantasy for Piano and Orchestra" with the Ottawa Philharmonic Orchestra last Sunday, Dr. Allard de Ridder conducting.

The Stage Return of "Laura" at R. Alex.

By MARY LOWREY ROSS

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tice of discharging birdshot into the faces of beautiful girls you might find it a reasonably entertaining thriller. But "Laura" has been round quite a while now in various forms and both its surprise and its quality as a vaguely literary whodunit are pretty well exhausted. As the faded dilettante Waldo Lydeker, Clifton Webb was able to lend his peculiar waspish charm to the screen production of "Laura"; but John Loder, who plays the Waldo role in the current stage version, is no Clifton Webb, and indeed no Waldo, but an obviously manly extrovert whose preoccupation with *belles lettres*, Ming vases and cooking sherry seemed oddly out of place.

The three acts take place on a single set, but it is a very handsome set, and Miss K. T. Stevens, who plays Laura, is a pretty, very self-possessed blonde, with a bright attractive wardrobe. As a result "Laura" is quite pleasant to watch. But it won't keep you on the edge of your seat, or anywhere near it.

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THE FILM PARADE

Hard Times on the Prairie with Mr. Tracy and Miss Hepburn

By MARY LOWREY ROSS

"SEA of Grass" has some handsome scenic moments but apart from these it could have stood a lot of improvements. For instance, it might have been cut in half. As it is it goes on for two hours, with little change of any sort except that everybody gets older, sadder and more frustrated as the decades roll by.

The story is about a beautiful girl called Lutie (Katharine Hepburn) who marries a cattle king (Spencer Tracy) and goes out to live with him on his prairie ranch. It isn't long however before trouble develops. Lutie has no one to communicate with except her husband and her husband won't communicate with anything except the grass prairies. Besides he has theories about the dangers of removing top-soil and the consequent urgency of removing homesteaders. Lutie doesn't share these notions, so presently she leaves him and goes off to Denver, where she meets up with an old admirer (Melvyn Douglas.) She spends only a night in Denver but it turns out to be a night of consequences, one of the principle consequences being a baby boy who grows up to be Robert Walker. However we are getting ahead of our story. After her night in Denver Lutie goes back to the ranch, only to leave again a year or two later—this time she is tossed out by her indignant husband. She stays away for about five years and then comes back to see the children and leaves again immediately. After another fifteen years she comes back once more, this time apparently for keeps. Beyond a flourish of melodrama on the next to last sequence there is very little to enliven this schedule of arrivals and departures. In fact "Sea of Grass" is about as exciting as going down to the railway station to watch the trains come in.

On the credit side there are Katharine Hepburn's costumes, apparently designed, or to a certain extent deduced, from old Butterick patterns of the Eighteen-Eighties. I don't know when I've seen such lovely long basques or such beautiful low-slung bustles. There's a great deal of fine scenery too, some of it enormously high, most of it impressively wide and all of it exceptionally handsome. Katharine Hepburn looks very handsome too, going through all those years and all that heartbreak without developing a wrinkle either in her face or her beautiful clothes.

Sternly Documentary

If you are still interested in the spy-activities of World War II you will find "13 Rue Madeleine" a reasonably exciting and even informative thriller. Like "The House on 52nd Street" and "Cloak and Dagger" it derives from the files of the Office of Strategic Services. "13 Rue Madeleine" however throws in a short course in practical espionage, complete with class exercises and field work, along with the usual plot excitements, and as a further exercise in realism abandons the usual outdoor studio sets and films the French and London scenes in actual streets, photographed in Quebec and New England.

The opening, with the Voice of the March of Time booming informatively on the sound-track, is sternly documentary. You have the impression, however, that once the film gets its graduate students launched on their work in Vichy, France, it abandons the O.S.S. files and goes off on its own. It is possible of course that James Cagney's adventures in outwitting the woolgathering Vichy Gestapo came right out of the official records but they reminded me a good deal of something I'd seen on the screen before. Annabella and Richard Conte are associated with James Cagney in "13 Rue Madeleine". They all looked like sharp and likely spy-material, but they're all casualties before the end.

"The Captive Heart", a story about a group of British prisoners in a German war-prisoners' camp, has the grave and level tone that seems characteristic these days in English pictures dealing with the war. The group contains a refugee from Dachau concentration camp (Michael Redgrave), who has assumed the clothes and identity of a dead British officer, a sporting type (Stanley Holloway), a musician, and half a dozen nondescripts, and the picture follows the conventional pattern of outlining the character, hopes and destiny of each. The film excels chiefly in the prison-camp sequences, with their quick and detailed observation and their exceptional freedom from war-exaggeration and vindictiveness. Though not a major British picture it is interesting and worth seeing.

SWIFT REVIEW

DECEPTION. Still another version of the Trilby-Svengali legend, with Claude Rains in the Svengali role and Bette Davis as a rather more than unusually unstable Trilby. Stylish but foolish.

THE MACOMBER AFFAIR. Hemingway's contained but violent story of the unfortunate Mr. and Mrs. Macomber, who went big-game hunting and came to a bad end. An unusually well-handled film. With Joan Bennett and Gregory Peck.

THE EGG AND I. Last year's best-seller turned into a typical Fred MacMurray-Claudette Colbert romp.

I SEE A DARK STRANGER. A lively World War thriller, with Deborah Kerr as a fiery Irish colleen out to harass her hereditary enemies the British.

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LONDON LETTER

Double Summer Time Gives Britons Chance to Enjoy "Dawn Chorus"

By P. O'D.

London.

FOR a week or more now this country has been enjoying fine weather—and "enjoying" is perhaps a mild word for this new and delightful feeling. We had almost given up hope. Seeing the sun again is rather like meeting an old and jovial friend whom one had believed to be dead. We had thought never to see him again, but here he is, red-faced and hearty, beaming away with all the old warmth and friendliness. What a relief!

It is not yet possible to estimate what the blizzards and floods of this cataclysmic winter have cost the country, the millions of sheep and cattle lost, the sodden fields which it has been impossible to plough or sow, the general destruction of plant and animal life. Perhaps it will never be possible to estimate the cost—not that this matters so very much, except to people with statistical minds. The rest of us may prefer not to know.

The great thing is to lose no time in trying to overtake the arrears of work and repair the damage so far as that may be done. And no time is being lost, certainly none in rural regions where the roaring of tractors and the quiet plodding of plough horses go on until late in the evening—which is very late indeed, now that we are all on Double Summer Time.

One of the saddest effects of the frost and snow and especially of the icy rain, which froze as it fell and covered everything with a thin coating of ice, as though all the world were tightly wrapped in cellophane, was the destruction of life among the birds. Everywhere among the trees and bushes you find dead thrushes and larks and blackbirds and tits. Even those hardy fellows the green woodpeckers starved, for the crevices of the trees were blocked with ice, and the insects under it were safe—or dead.

Unfortunately, it is among the smaller birds, the little friends of man, that the losses are heaviest. The tough predatory rascals like the crows have hardly suffered at all. But not all the song-birds have gone, and the "dawn chorus" is once more a rural delight—especially as, with the time set two hours back, we get plenty of chance to enjoy it. Getting up in the dark of a spring morning has at least this compensation.

Merely Henry's Way

People in this country seem rather astonished that Americans should express so much indignation at the speeches made here by Mr. Wallace. What astonishes them more than anything else is the American surprise that he should be given so polite and even respectful a hearing. But why shouldn't he? He is a distinguished American public man, a former Vice-President of the United States—a position whose dignity and importance British people may perhaps be inclined to overrate. Besides, this is a very polite and tolerant race.

It would be a mistake, however, to imagine that because British people treat Mr. Wallace with every courtesy they have any particular sympathy with his views. They haven't. They regard him—all except the small and diminishing minority which still turns to Moscow when it prays—as a sincere but woolly-minded idealist, whose opinions on international relations are childishly irrelevant to the harsh realities of these times.

Nor have they forgotten that only a little while ago Mr. Wallace was fulminating even more vigorously against British imperialism than he now is against American. But they don't bear any grudge. They assume that this is merely Henry's way, and are content to let it go at that.

As for the good taste or otherwise of his attacks on American policy made in this country, that is a matter which they prefer to leave to Americans to decide. After all, he is only saying here what he has said over and over again there, and they don't see that it makes much difference—at least, not to them.

The death of Henry Ford naturally aroused a good deal of interest and sympathy in this country, where he had such vast undertakings. It called forth many articles of reminiscence from people who knew him or had met him, and a good many stories were told. There is one remark of his on the subject of physical exercise which seems worth quoting.

"I don't believe in it, he said. "If you're all right you don't need it, and if you aren't you shouldn't take it."

That remark is one which I shall treasure—if only as an excuse for my personal laziness — and shall bracket in my mind with two others of a similar character. One was made by Mr. Robert Hutchins, of Chicago University, who is now in this country. He said that whenever he felt the desire for physical exercise coming over him, he always made a point of lying down until it had passed away. He attributed his excellent health to this precaution.

The third was made to me by a plump, cynical Fleet Street friend of mine, who prefers to take most of his own exercise at the bridge table. It was at the time when Sir Samuel Hoare was lured by the astute and unscrupulous Laval into agreeing to the partition of Abyssinia, then at war with Italy. I expressed surprise that Sir Samuel should have made such a tactical blunder — or so it seemed then.

"Oh, well, what could you expect of poor Hoare," said my friend, "with his constitution all shot to pieces with fresh air and exercise? That sort of thing affects a man's judgment."

So, if you don't want to play that game of golf or take that constitutional or dig in the garden—think on these things.

• •

DIETETIC MEMO

I EAT without stint
Of the victuals I crave;
I wonder how long
I'll go on without ruing it?
Maybe my molars
Are gouging my grave,
But, oh, what a heavenly
Method of doing it!

J.E.P.

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drive your beautiful new Chrysler
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to your discrimination—

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THE BOOKSHELF

CONDUCTED BY HERBERT McMANUS

Writing Is Really Very Simple but Ergophobia Is Essential

HOW TO BE RICH LIKE ME—by William Hazlett Upson—*McClelland & Stewart*—$2.50.

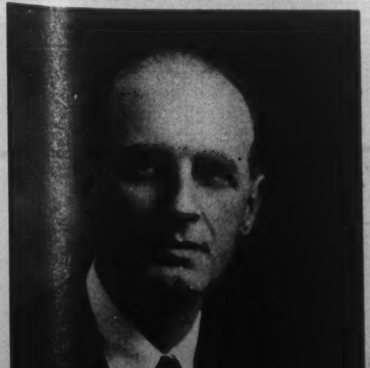
THERE MAY be a few people who are unfamiliar with Alexander Botts, that master salesman of Earthworm Tractors, but not many. Botts is one of the most richly humorous characters of this generation and his mishaps and successes have adorned the pages of the *Saturday Evening Post* for a great many years and are still adorning them. Now, for the delectation of all Botts followers and for the entertainment of those who have still to make his acquaintance, his creator tells how it all came about. And how easy it was.

First of all, says Upson, if you want to write stories about tractor salesmen, for example, just spend five years as field service man for a tractor manufacturing company, fixing tractors, fixing the owners and writing the daily reports required by the manager. The company actually thought Upson was working for them and paid him money; what they were really doing was giving him one of the finest courses in the world in writing. A confirmed ergophobe, at one time he considered abandoning the actual work on the tractors and confining himself to writing the reports but gave this over as somewhat unwise. No one minds doing some work, he says, if that work is actually directed toward eventual and complete rest. "Many people think that just because writing takes less brains than plumbing you can start right in without any preparation. This belief is erroneous but is very prevalent—which probably accounts for the fact that the country is so full of authors who cannot sell anything."

Nothing To Radio

Yes, writing is just as easy as all that. Writing for the radio is easy; Upson soon discovered that the advertising agency did all the work in revising and re-writing his script, so presently it was discovered that there was no reason at all for him to write the original. Movies, too, are easy. In Hollywood he was given two writers to work upon his stories, re-writing them, introducing new characters, scenes and episodes; all he had to do was to see that the tractors were kept in the movie and not asked to do anything impossible or to fail to do anything that a tractor can do easily. And for the magazines, as his correspondence with Sir Anthony Armitage, K.C.B., F.R.G.S., of Beardstown, Kansas, shows, the task is simplicity itself. Just send the letters that other people write to you to the magazines — the *SE Post* in this instance—and sit back and collect. Similarly with telephones and business letters and salesmen; they all produce priceless material which the magazines burn to print; the writer himself has nothing to do and thus doesn't tire himself out.

William Hazlett Upson has been a confirmed ergophobe, or hater of work, from the time he served in the heavy artillery in the First War; there he learned that the clever soldiers who conserved their energy, instead of tiring themselves out with such tasks as marching and cleaning the guns and horses, were rested and able to fire the guns when the need arose, while the others were in hospital or too fatigued to be of any use. This principle—with the exception of the five years spent in repairing tractors and writing reports and learning about tractor salesmen and people in general—he has applied to his subsequent career. His life, he says is one of leisure and enjoyment and wealth; only from time to time does he sit down to produce some of the best and funniest short stories printed today. And that, of course, isn't work.



Edgar McInnis, Associate Professor in the University of Toronto whose final volume of the History of the War (Oxford) has just been published.

The Fighting War Ends

THE WAR: SIXTH YEAR—by Edgar McInnis—Oxford—$2.50.

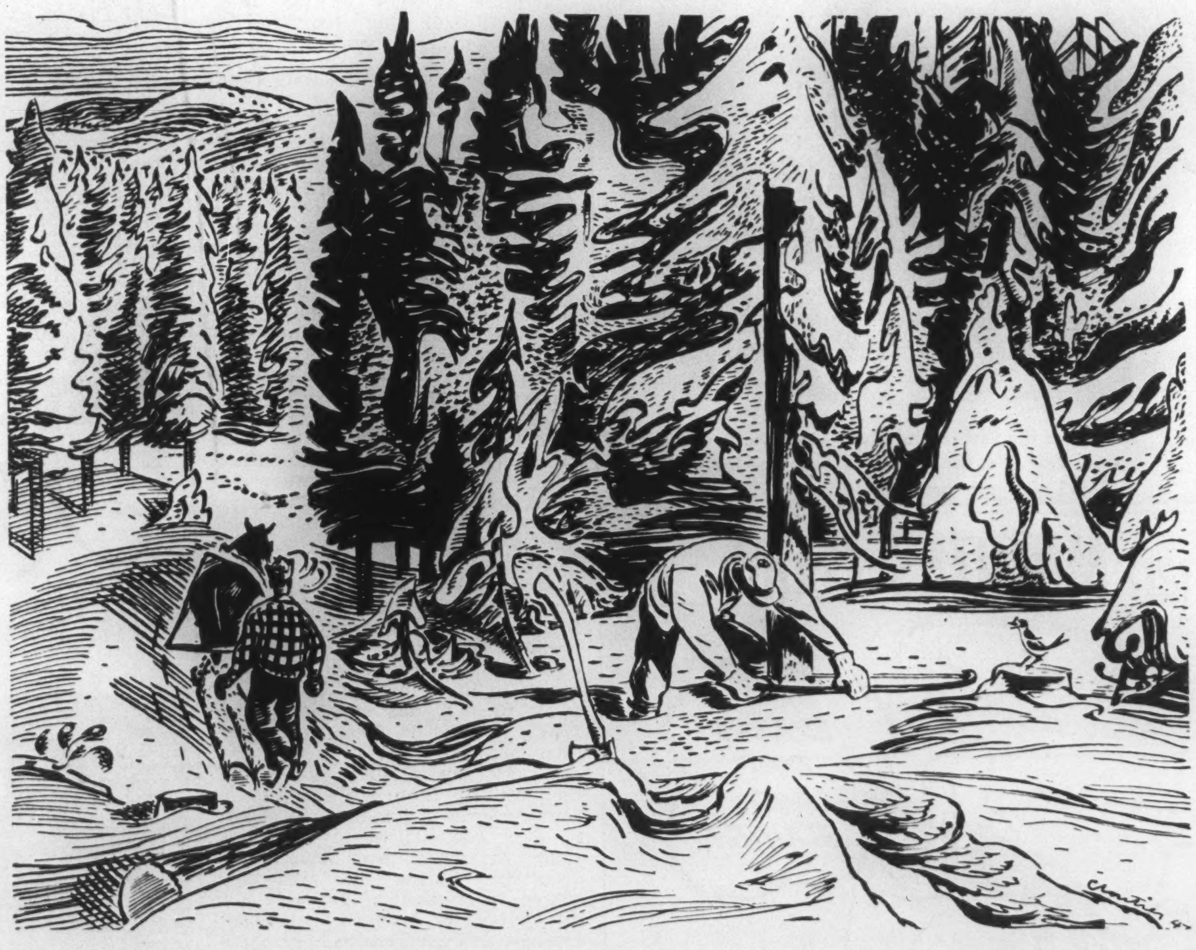
WITH this volume Professor McInnis completes a work which he began at a fairly early stage of the recent war and which has steadily grown both in authority and in popular acceptance. It has naturally been much easier, with the cessation of hostilities, to obtain access to much information which was necessarily concealed during operations and this last volume reflects such a position. But the earlier volumes served an excellent purpose and were enthusiastically received by those who wished to obtain an understanding of what was going on in so many widely-scattered theatres. It may be possible that re-writing, re-editing and re-issue of the predecessors to this volume with the benefit of material now available would produce a completely authoritative and comprehensive work of the greatest value.

McInnis's work has gained an international following and the reason for it is at once apparent in this final book. While naturally the broad field covered does not permit of any illumination by personal experience or description, nevertheless the volume is written with such clarity that it is perfectly possible to read it straight-ahead. Nor does this record purport to add any new or startling information to the overall picture but rather to integrate and make comprehensible as a whole the efforts of so many millions of combatants. Possibly this integration is the chief virtue of the series; every individual participating, either as a member of the armed forces or backing up their efforts, was entirely too close to some phase to have acquired any understanding of the larger scene.

The last volume covers the period from October, 1944 to September, 1945 and includes, therefore such highlights of the various campaigns as the German Ardennes offensive and its failure and the final collapse and capitulation in the West. The Canadian Forces are given some sixteen listings in the index and their participation in the fighting is not overemphasized as is proper in a general history; it might have been noted however that some of the jobs they were given to do were classified as among the "stickiest" and that they were carried out in a manner to win praise from both the British and American commanders.

Farther afield the U.S. operations in the Pacific are clearly covered, including the bloody landings on Iwo and Okinawa and the recapture of the Philippines; the Australians in Borneo receive as well a much-merited mention. Since the minds of most Canadian readers were concentrated on the European operations, these Pacific records produce much that is interesting and fresh. Naturally, the employment of the atom bomb, so busily and secretly built up during the preceding years, is described. The new and confident tone of the Potsdam declaration, made by the Allies with the knowledge that this new and terrible weapon was ready, was completely missed by the Japanese; Professor McInnis agrees with many of the scientists concerned that a demonstration in a relatively uninhabited area of Japan would have sufficed instead of the lethal operations actually carried out.

For convenience of the reader the text is accompanied by sufficient maps to make the deployment of forces more easily followed; a good index and a chronological table round out the volume.



"Woods Work", drawn by Albert Cloutier from his original painting for the pulp and paper industry.

ONLY A SIXTH

Woodsmen harvest for the pulp and paper mills only about a sixth of the wood consumed in Canada. Half as much again is wasted by fire, insects, and disease. Lumber and logs for export account for about a third. And firewood takes the remainder.

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Pulp and paper creates $1½ million of new wealth daily. It is the largest exporter in the land. In industry it is the largest wage-payer, the largest buyer of goods and services, and the largest wealth producer in Canada.

Every Canadian has a stake in the welfare of this national enterprise.

PULP & PAPER INDUSTRY OF CANADA

109 mills, small and large, from coast to coast.

WORLD OF WOMEN

The Voice of the Consumer to Be Heard Via Women's Organization

By THELMA CRAIG

ONE day way back in December, 1941, Canada's Minister of Finance and the Chairman of the Wartime Prices and Trade Board, called together the presidents of national women's organizations, and invited them to pledge the active support of their members to maintain the price ceiling. The gallant role which women played in supporting the Government's stabilization measures, and in ensuring thereby that materials were available to the fighting forces abroad and that the Canadian economy was kept on an even keel, is now a permanent record.

One day lately another meeting of the heads of national women's organizations took place. Representatives of some fifty groups, each national in scope, came together to consider the establishment of a permanent consumer organization. They met under the chairmanship of Mrs. R. J. Marshall, president of the National Council of Women, who explained that she had been asked to call the conference because the National Council was already a council of presidents; but the organizations represented included the I.O.D.E., Women's Institutes, Y.W.C.A., Home and School, French groups, the Women's Regional Advisory committees, and others not affiliated with the National Council.

This time the heads of the women's organizations came together in the interests of Canada's peacetime economic well-being. This time the initiative came from the women themselves. This time *they* called on officials of the Government to discuss the Dominion's economic problems.

Was there a need for a permanent consumer organization? An organization of consumers linked up with the Wartime Prices and Trade Board, extending right across Canada into urban communities and country concessions, had been an essential factor in our war potential and has contributed notably to our present favorable position. It had been predicated on the belief that an enlightened public opinion will ensure cooperation with necessary and needed Government measures. It had been helpful in making suggestions and recommendations for action.

Now it was peacetime and wartime controls were being removed. It was obviously essential, in a democracy, that any permanent consumer organization must be divorced from government control and private enterprise alike.

There was still need for an understanding of Canada's economic problems. The consequences of the most devastating and destructive war in history were bound to be shockingly deep and prolonged. Canadians must be affected by the results of reconstruction in less favored countries. As Graham Towers, Governor of the Bank of Canada, and Canadian Executive Director of the International Bank for Reconstruction and Development, told the conference:

Homes And The Nation

"When you read of coal shortages in Britain, or of difficulties of transport in France, or of difficulties of production in Holland or Czechoslovakia, it is well to remember that it is not just a matter to awaken our charitable sensitivities, but it is something that could hit us in the pocketbook, that could do damage to every household budget and paycheque in Canada."

During the war women came to understand the value of public information in a way they never had before. They found out that with adequate authoritative information at their fingertips, they were and could be better homemakers, better businesswomen, more intelligent human beings and better citizens. They know now in a way they never appreciated before, how intricately woven are the well-being of the home and the prosperity of the nation. They want to know the economic facts on which our prosperity is based and to be able to relate them to pay envelopes, jobs, family budgets, in other words, our "standard of living".

Besides, most of them who served their country faithfully and well in wartime in their homes, in the shops, in their communities, are just as eager to serve their country in peacetime. During the war they sensed their capacity not only for service but for influence, and businessmen and government alike came to appreciate it. There is something in what M. W. Mackenzie, deputy minister of Trade and Commerce, told them:

Information Channel

"After all, the most potent force for the development of a desirable project in this country is a unified demand from the ladies, who do most of the buying . . . not to mention most of the voting." Certainly their wartime achievements suggested implications and opportunities for the future.

Do the women of Canada need a permanent consumer organization? The answer of the conference was unhesitatingly "Yes".

The organization envisioned would provide a channel for economic education to all Canadian women, and at the same time be a focal point for consumer recommendations. Its basis would be the federated groups of existing women's organizations but it would be developed to include all Canadian women. It would be organized locally and provincially as well as nationally. The headquarters of the organization would be in Ottawa so that close contact with government departments and affairs could be maintained, and a bulletin would be issued once a month to members of the organization.

Such were considerations on which the conference was agreed, and an interim committee was set up to work out details of organization, finance and activities. The conference will reconvene in October to consider the report of the interim committee and to discuss the proposed organization in the light of any recommendations from the various women's groups represented.

Broadly, what could a permanent consumer organization accomplish? It could, for instance, demand and ensure that all manufactured goods come up to high standards, whether they be children's shoes or house dresses—an objective in itself which would pay dividends not only in the export market but in the domestic market. It could help to ensure a proper relationship between price

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ERASES DIRT AND STAINS!
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Happy the Bride

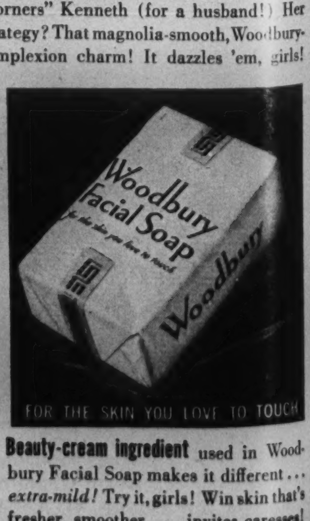
SHE'S ANOTHER WOODBURY DEB!

Just-wed joy! Camera catches Dr. Kenneth Aylsworth Campbell and Phyllis Denton Bishop, former Vancouver deb, after Christ Church wedding in Montreal.

Over the threshold! Phyllis' home-from-honeymoon glow is—part happiness, part Woodbury! "Always," she says, "it's been my pet beauty care." *True* beauty soap!

Check . . . mate! Chess, in courtship days. Phyllis quickly "corners" Kenneth (for a husband!) Her winning strategy? That magnolia-smooth, Woodbury-smooth complexion charm! It dazzles 'em, girls!

"Divine! My daily Woodbury Facial Cocktail is perfection—for my sensitive skin," says Phyllis. "I cream on the lather . . . so mild, feels lovely! Next comes warm 'n' cold rinses . . . and skin's all a-sparkle!"



Beauty-cream ingredient used in Woodbury Facial Soap makes it different . . . *extra-mild!* Try it, girls! Win skin that's fresher, smoother . . . invites caresses!

(Made in Canada)

and quality. It could encourage more efficient methods of merchandising. It could demand that all articles measure up to their advertising. If it did no more than get across to the majority of consumers the simple economic facts on which our prosperity is based, it would be worthwhile. As an adult education movement, the proposed organization has possibilities for service.

The Governor of the Bank of Canada expressed his belief in the importance of general public understanding of the broad outlines of Canada's major economic problems. "If your organizations can make some contribution towards stimulating interest and understanding," he said, "they will have made a great contribution towards the successful working of a democracy."

He suggested four fields in which public education might be undertaken:

1. The facts about international trade and "our peculiar dependence on it". (In 1939 exports of goods and services amounted to 32 per cent of our national income; in 1946 it was more than 38 per cent.) "We have much to gain from living in the type of world in which international trade is maintained at a high level," Mr. Towers said. "Our capacity to produce agricultural products, forest products and many other things greatly surpasses our own capacity to consume them; and our standard of living will vary with the need of the world for these products, and with the ability of the world to buy them from us.

2. The importance of efficiency of production and its relationship to both export and domestic trade. "In a competitive market, our success depends on being able to offer our customers goods at the going world price without penalty or loss to ourselves," Mr. Towers pointed out.

3. The difference between dollar returns (no matter who received them) and real returns as represented by purchasing power and standard of living.

4. A better understanding of the nature of government income and expenditure.

There need be no concern as to whether government, whether federal, provincial or local, will listen to a permanent consumer organization of the type envisioned, as long as the organization is strong enough, vital enough and has a sufficiently good case to present. With women like Mrs. W. R. Lang, Mrs. W. P. M. Kennedy and Miss Harriet Parsons, to mention only three of the driving forces behind the movement, thoroughness of the initial organization may be assumed.

A very considerable part of the strength of the organization will lie in effective leadership at the local levels. But the success of the public education program will depend on the adequacy of the office in Ottawa, and its ability to gather, compile and disseminate vital information in a form and through media that will secure the largest possible readership and greatest possible interest.

• •

Springtime Visitors to New York

By DON STAIRS

NEW York City's springtime lure for out-of-towners is more pronounced this year than ever. This, in spite of higher hotel rates than were being charged last autumn and an added New York City tax of five per cent. That there should be a strike in progress when your somewhat vagrant reporter signed the hotel register for himself and the distaff side of the house was no surprise. Some kind of a strike seems to be going on in Manhattan at any time of the year. At this time it happened to be the telephone company's operators, office clerks and repairmen. One suffered little inconvenience as the bulk of New York City's conversations take place by way of the dial phone. Telegrams had to substitute for long distance calls. Newspaper pictures of the operators on strike showed many of the strikers to be young ladies of fashion and the picket line was well adorned with corsages, many of them orchids. Senior operators are reputed to earn between $40 and $50 per week and the unions demand that this be increased by a further $12.

Taxis More Plentiful

Shiny, new plastic upholstered taxi cabs are shouldering the old hacks off the city streets. Your scribe, because of the time-saving element, general driving efficiency and skill of the hackies, tends to be liberal with tips with these gentry; as well, they take your life and limb in their care and a dime or so extra is a small price to pay for being set down safely at your destination.

Shopping is again a fascinating business. The stores are beginning to fill up with a varied array of domestic and imported goods alike interesting to a Canadian householder and his wife who are each permitted to spend $100 American currency for things which cannot be obtained, as yet, on this side of the line. Prices, too, are sliding and the thrifty buyers are making their influence felt. One of the first to feel the chilly blast was the night clubs. They are being smacked down plenty hard. Thousands of performers, restaurant help and bartenders have been discharged. Clubs are closing up and the *Sun* a week or so ago ran a series of four articles dealing in detail with the decline of the business in the plushier "traps", quoting such notables as Sherman Billingsley, Billy Rose, etc. Restaurants are not quite so crowded and meal prices are quite high. Because of the addition of new cars, empty taxis are easier to spot.

Observing a crowd around the counter at Macy's one day, we edged in to find the attraction. It consisted of a sale of ball-pointed pens at 57 cents apiece. We gave up the struggle by deciding to buy a better grade writing instrument at the next counter and paid 97 cents. Last fall we noticed the line-ups for nylon stockings but prices of nylon, silk and rayon were on the toboggan with all sizes and any quantity available and lower prices still to come.

JOAN RIGBY

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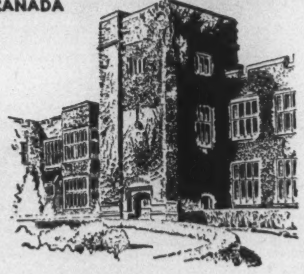

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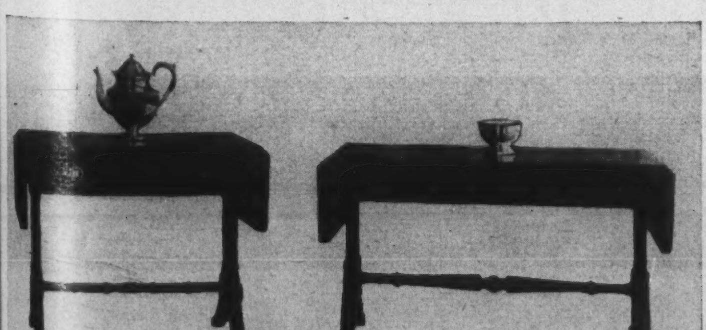

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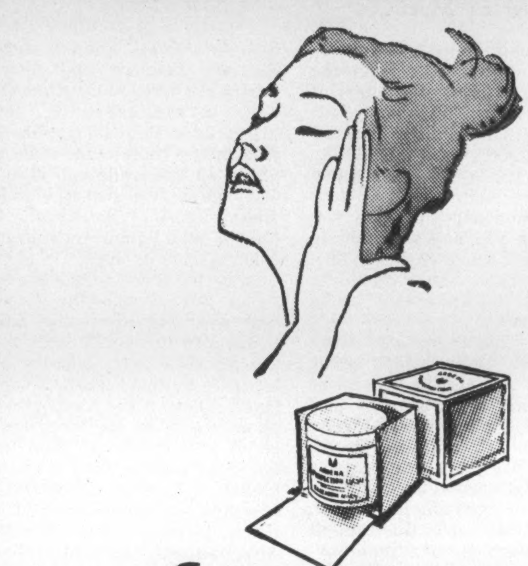

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Highly emollient. Highly sympathetic
to surface lines, tender skin, thin faces,
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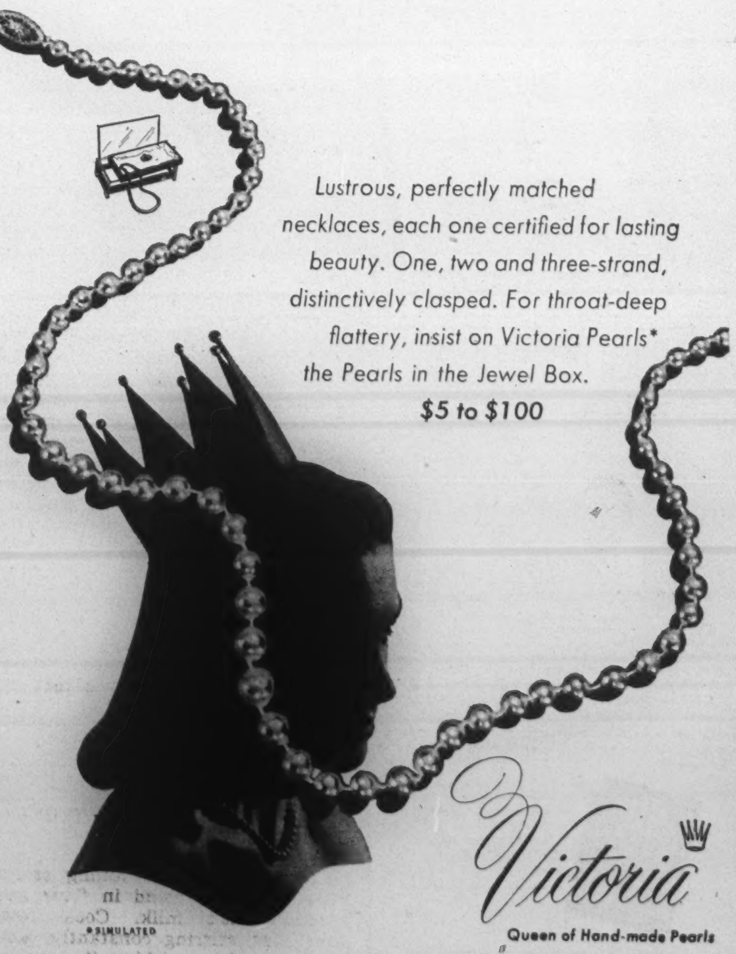

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CONCERNING FOOD

A Pint-Sized Book of Etiquette Speaks Language of the Teens

By JANET MARCH

A LOT of people laugh at etiquette books, but I bet that even the scoffers have fluttered the pages of one at some time. They give you a great sense of satisfaction, because either you disagree with the ruling, which makes you think you know better than the writer who is supposed to be an expert; or else you agree, and then you say to yourself, "Well, of course I knew that!" as if it was just you and she who were clever enough to be in the know in a world of mannerless boors.

The trouble is that there is so much etiquette that the books which cover the subject are inclined to be almost as bulky as a small sized Webster, and though you can open one and read with fascination all the details of, say, Evening Weddings, they don't really take the place of a good mystery story for light entertainment. I came across a small-sized one though the other day in which both the letterpress and the drawings were amusing. It is the teen-ager's book called "Your Manners are Showing", by Betty Betz who is a well known authority on teen-age fashions and customs. The verses are written by Anne Clark, and here's an example—

"If you and Pete sit sipping Coke
And in the room come older folk,
Stand up and smile and later when
They leave, stand up and smile again."

Betty Betz's illustrations are well known, and when they are brightly colored, too, it helps.

In between the verses are some pages of advice, and the page I liked best was one when she advises the teen-agers to get home at the appointed time after a party or else to let their mothers know if they are delayed. "You're no goody-goody if you phone home to let them know you'll be in a switch later than usual. But never let your mother go through the mental torture of imagining you in a smashed automobile or stuffed into a trunk. It sounds silly, but that's the way mothers are!" Miss Betz would have her youngsters behave as inconspicuously as possible in public—

"At meals Jean stacks the dishes high
To see if they will reach the sky
If John gets red he's not to blame
All gourmets frown on such a game."

With this verse there is a picture of Jean balancing everything she can lay her hands on in one trembling tower of which the catsup bottle is the last addition. John looks embarrassed.

Poor John, he had better let her eat at home and just take her to the movies.

If you are in the business of feeding many teen-age girls and boys you will have found out that they like plenty of simple food with flavor. Try this and see if they like it.

Hamburg With Russian Sauce

1 cup of fine dry bread crumbs
1 teaspoon of salt
¼ teaspoon of pepper
2 cups of stock or 1 can of consommé
½ cup of catsup
3 tablespoons of fat
3 tablespoons of flour
½ cup of milk
1 cup of sour cream
1 pound of hamburg

Mix the bread crumbs with the meat, then add the salt, pepper and milk and form into small balls. Sauté till they are browned on all sides in the fat. Take the meat out of the pan and add the flour and blend well with the stock (or consommé) then add the catsup and the cream and stir till the sauce is well mixed. Pour over the meat balls and serve.

Steaks And Mushroom Sauce

8 cube steaks
¼ pound of mushrooms
2 tablespoons of fat
1 onion chopped
½ cup of stock
Salt and pepper
1 teaspoon of vinegar
1 teaspoon of sugar
2 teaspoons of chopped parsley (dried if you can't get fresh)
1 tablespoon of butter

Cook the cube steaks in the 2 tablespoons of fat till they are brown on both sides and then put them to keep warm. Cook the chopped onion and mushrooms in the remaining fat and beef juice and if necessary add a little more fat. It depends on how much juice runs out of the steaks whether it is or not. When they are cooked, which should take about ten minutes, put the mushrooms and onions with the steaks to keep warm, and add the stock, vinegar, butter, sugar, parsley, and salt and pepper, and cook fairly fast for five minutes, so that the liquid reduces. Pour over the steaks and serve.

Ice cream still seems to be the favorite dessert with the young, but if you want to dress up a brick of vanilla a fine way to do it is to chop some walnuts up and add them to hot maple syrup. This is an easy sauce to make and is a certain success.

Spring's Vegetable -- Asparagus

SPRING has again set her signals! Possibly one of the most welcomed is the return of those spring foods which bring new zest to winter-jaded appetites and new inspiration to the weary menu planner. Asparagus is undoubtedly the most popular vegetable of these spring foods.

When purchasing asparagus the stalks should be green for almost their entire length. They should be brittle, with the tips, closely compact. Branched tips indicate that the asparagus is too mature, and may be tough and woody.

Asparagus wilts quickly and if allowed to stand for any length of time looses much of its delicate flavor. Break off the tough, woody ends from the stalks and remove the scales since sand may collect under these and cause grittiness. Wash thoroughly and cook in boiling, salted water for 12 to 15 minutes. Save the cooking liquid and use in making gravies, soups and sauces.

Many homemakers have difficulty cooking asparagus, so that it will be tender without losing color and flavor. Too often when the stalks are cooked insufficiently, the tender, delicate tips lack flavor and are too soft to hold their shape.

To avoid overcooking the home economists of the Consumer Section, Dominion Department of Agriculture, offer a few suggestions. Cut the stalks in equal lengths and tie in bunches. Cook these in an upright position in a deep saucepan. The water should come about half way to the tips which should be cooked by the steam alone. Cook asparagus only until tender, but not soft. It is better slightly undercooked than overcooked.

Baked Asparagus

2 pounds asparagus
4 hard cooked eggs, sliced
4 tablespoons mild-flavored fat
4 tablespoons flour
2 cups milk
1 teaspoon salt
Pepper
1 cup grated cheese
2 tablespoons chopped green pepper (optional)
½ cup buttered crumbs

Cook asparagus in boiling salted water. Melt fat, blend in flour and gradually add milk. Cook over direct heat, stirring constantly until mixture thickens. Add salt, pepper, grated cheese and green pepper to sauce and cook over hot water until cheese is melted. Arrange layer of asparagus in bottom of greased casserole, cover with a layer of sauce, add a layer of egg slices; repeat until dish is full. Sprinkle buttered crumbs on top and bake in a moderate oven, 350°F. for 20 minutes.

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THE OTHER PAGE

Pleasures of a Poor Memory

By MARY QUAYLE INNIS

ENTIRELY too much has been said in praise of a good memory. That memory which brings up on small provocation a date or name is considered a priceless possession; there are even books and courses which guarantee to improve a poor memory as though it were a characteristic at all costs to be got rid of. By paying a fee and working assiduously one can learn to remember a friend's telephone number by connecting its exchange letters with his brother-in-law's initials and the digits of the number with his older daughter's age and the 1938 license number of his car. There are people who boast that they never look into a telephone book.

It is hard not to suspect of dullness the mind which devotes itself to storing names and numbers, to winding away a series of events like saved string. What is the mind for if not for wonder and surprise, those lively and colored qualities which relate to the activities of the painter and poet? And who revels so constantly in wonder and surprise as the owner of a poor memory?

"Every book is new to an ill memory," wrote Jeremy Taylor and not only every book but every picture and piece of music, every dress and landscape and nearly every face. Not, of course, wholly new. When the book has been half read a suspicion rises that this is a rereading and an outline of its climax may even appear, cloudy as a far-off mountain range. Far from interfering with the reader's pleasure, this sharpens it for in many cases he will have confused the book with another of similar kind and be faintly recalling a quite different climax which makes the final surprise doubly striking.

If novelty is a virtue, the owner of a poor memory enjoys far more of it than other people, yet a poor memory does not mean no memory. He does not live in a smoke-pall of vagueness, but in vagueness brightened and startled by flashes as constant and surprising as a display of fireworks. No one who prides himself upon a keen memory can properly enjoy the pleasures of recollection. It is too easy for him, remembrances roll after another like box cars, in order and suitably linked; there is no effort, no exercise or excitement. The poor memoree looks, let us say, at a painting of a storm. He sees and enjoys it as a fresh experience.

"Why, that's splendid. The painter has captured the very moment of tension and scramble before the storm breaks." When this first pleasure has passed, however, he has before him a whole series of subsequent pleasures and activities. For it occurs to him that he may have seen a painting of a storm before but where? In the next few hours he may canvass visits to the Metropolitan or the Louvre, reliving other and lively events of his visits to New York and Paris as a sort of bonus, seeing a whole gallery of pictures which resemble vaguely in size or coloring or subject the one he has just seen, or which, for sheer variety, resemble it in no particular.

"Was it that Easter?" he asked himself. "Was I with Helen? No, it was in summer, the time I lost my trunk." He derives days of mental nutriment from the sight of one picture and is still further rewarded with the final delicious stab of recollection which may come in the midst of dish washing or shoe blacking. "That was the time I saw it! I remember now!" He feels an exhilarating sense of achievement after the long and leisurely chase.

One of the most entertaining mental chases is set off by the appearance in a bus or street car of a vaguely familiar face above the anonymity of outdoor clothing. The person has been encountered in some special connection, in a store or office perhaps, and the game is to imagine him in different situations until one is found which lights the flash of recognition. It is possible to occupy a thirty minutes' ride very agreeably by trying a variety of uniforms on the unconscious fellow-traveller, like dresses on a paper doll, until one fits. The girl is made to assume in turn a smock, a nurse's white, a ruffled tea-room apron, a saleslady's black, and only the nurse's uniform seems to belong though it is not quite right. She is then placed under a bunch of bananas in the fruit store, behind the florist's jar of carnations, at a typewriter, on an elevator stool, she is given a tray to carry, a broom, a tape measure. The game does not end with the street car ride for suddenly as the player passes a beauty parlor, the girl assumes her uniform and a towel and another victory has been attained. How tame is the triumph of the traveller who said at once, "There's the girl at the beauty parlor who left me under the drier too long."

To enjoy a poor memory one must have no pride, but then humility has long been recognized as a virtue. He is not only humble but he is armed with an excuse for every occasion which his friends, between indulgence and exasperation, will come to accept even before he offers it. He has, of course, even more friends than most people because all of them can savor toward him a constant warmth of superiority. Not only can he be late and sometimes miss an appointment altogether but the convenient organization of the mind will usually see to it that he forgets the appointment he would, given a choice, have chosen to forget. "He's not as young as he was," his friends will say comfortably, as though any of them were, or "It's that illness she had last winter," while they with their unabated health, as young as ever, are rushing from one engagement to another muttering telephone numbers and the names, in order, of the kings of England.

If he can relax, and he had better, the owner of a poor memory will find his life full not only of enlivening trains of thought and mental games but of concrete and almost constant excitement. He will frequently board the wrong street car, lose his purse, forget his theatre tickets, address strangers as friends and ignore his friends as strangers. The shortest journey, the dullest errand, is enormously brightened by this means so that to him no day is really uneventful.

At the same time a special providence watches over him so that not only does he come to no real harm but he may gain amusing acquaintances and find himself in situations which, if he can remember them long enough, will make his reputation as a raconteur. It is the happy possessor of a poor memory whose voice will be heard, "And after we took the wrong road and got towed out of the swamp by these Indians we finally made — I forget the name of the town but the drug store was on fire and it was at the fire we met this fascinating old trapper who showed us the stream where we caught so many trout —"

Meanwhile the owner of a good memory, hamstrung with efficiency, can only murmur on leaving Terryville at 10:17 he reached Perryville at 12:02, ten minutes ahead of schedule.

RECITAL

LIKE it? As much as one likes murder;
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J.E.P.

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SATURDAY NIGHT, TORONTO, CANADA, MAY 3, 1947

P. M. Richards, Financial Editor

Britain's Budget Aims to Reduce Inflation

By JOHN L. MARSTON

Saturday Night's Financial Correspondent in London.

Britain's recently-announced budget has been aimed to ease inflationary pressure without resort to deflation, and, now that everyone has had time to digest its main points, the general feeling is that, in the main, it is the best that could be expected at present, says Mr. Marston.

The general trend towards lower direct taxation and higher indirect taxation cannot be commended, however, and the new tax on tobacco unfortunately hits the lower and middle-income groups more than the higher. There appears no evidence of a fiscal policy aimed against the capital-owning class, such as had been feared in financial circles from a Labor Chancellor.

London.

AFTER the first reactions to the 1947-48 Budget, attention turned to its implications as an instrument of policy. Those implications are mixed. On the one hand the Chancellor has pleased the financiers and affronted the more ardent members of the Government benches; on the other he has satisfied some of the demands of those ardent critics and aroused resentment in the Stock Market.

Some such compromise was inevitable and is not of very serious moment at this time. More important is the question whether the national finances as a whole are being soundly handled. In this respect the Budget has found few critics. It does balance; which is the main consideration at a time when strong inflationary pressures necessitate caution.

The indicated surplus of £270 million over an estimated revenue of £3,451 million is achieved by the questionable procedure of including in the coming year's revenue various votes of credit unspent from previous years. These are fortuitous items, and the surplus is only nominal. However, the Chancellor has not based any tax concessions on this surplus: he has, indeed, frankly recognized that wartime austerity must continue.

The major tax change is indicative of a policy—indeed, two policies. It is the sharp increase of 50 per cent in the tobacco duty, raising the retail cost of a packet of 20 standard-price cigarettes by 1s., to 3s.4d. In a sense this is a special case. Consumption of tobacco was last year about one-third higher than in pre-war years, and it was taking a quite disproportionate slice of the U.S. loan.

The argument that consumption of U.S. tobacco must be curtailed is unanswerable. Other methods could, however, have been found. There are alternative sources of leaf—though differential import duties would not have been permissible under the terms of the Anglo-U.S. loan agreement, which forbids discrimination against U.S. goods.

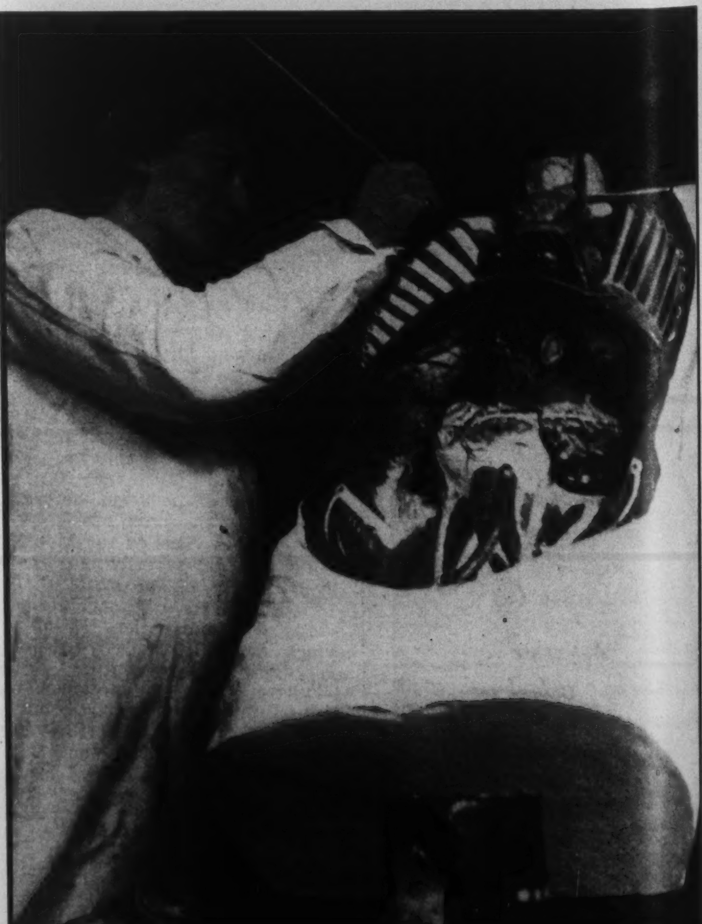
Rationing of this particular commodity is difficult, but Continental experience shows that it is not impossible. The new tax quite frankly enforces a cut in consumption by those who, smoking, say, 20 cigarettes a day, cannot afford additional expenditure of 7s. a week, though that sum is a trifle to those in high-income categories.

The Chancellor is using indirect taxation to reduce consumption—though he has not made any general increase in the purchase-tax, as the

(Continued on Next Page)

Anatomical Models Add New Industry to British Exports

The wartime cessation of Continental supplies of anatomical models used in training doctors and nurses has led to what may prove the basis of a new and thriving British industry. Lt.-Col. F. S. Brereton, C.B.E., late R.A.M.C., of Hemel Hempstead, seeing the shortage was seriously handicapping vital hospital training, turned part of his home into a studio and began constructing models as a hobby, sending them where they were most needed. His work, based on suggestions from members of the medical profession, won wide approval, and he is now training a full-time staff to cope with orders. U.S. institutions are also interested as their supplies, which formerly came from Europe and Japan, cannot fill the demand. Above, Colonel Brereton making a trial fitting of various organs prior to coloring. Each organ can be taken apart so that its internal working may be examined; all models are electrically illuminated. Below . . .



. . . an assistant retouches an assembled torso. Colors follow nature where possible, although greater contrast is given to facilitate lectures.

THE BUSINESS ANGLE

Business Needs Long-Term View

By P. M. RICHARDS

TODAY we talk about the possibility of a business recession or depression and overlook the fact that we can afford such a thing now even less than we could before World War II. The Great Depression of the thirties was bad enough; another depression might be still more disruptive because of the size and nature of our post-war commitments. The fact is that the kind of economy we have now requires, for its successful functioning, the maintenance of production, consumption and employment at continuously high levels.

The United States Congress has taken a concrete step towards prevention of depressions by passing the Employment Act of 1946, which is designed to focus the attention of industry, agriculture, labor and government upon the goal of continuous maximum employment, and upon the methods of obtaining it. Canada might well take a leaf from the United States' book.

The U.S. law divides into three parts. First, it requires that the President submit to Congress, at the commencement of each regular session, an Economic Report. This report, broadly speaking, must contain a survey of the state of the nation's economic health, a discussion of trends, an appraisal of government programs bearing upon the economy, and specific recommendations for carrying out the policy of the Act. This policy is aimed toward creating and maintaining conditions affording employment opportunities for those able and willing to work, and besides maximum employment, maximum production and purchasing power.

Council of Economic Advisers

Second, the law establishes a three-member Council of Economic Advisers to assist the President in the preparation of the Economic Report and, working permanently throughout the year, to engage in related activities. And, third, the law establishes a Joint Committee within Congress, composed of 14 members drawn equally from the Senate and the House. The function of this committee is to receive the Economic Report, study it, and file a report appraising its recommendations for the guidance of the various legislative committees. Putting aside embellishments, this is all there is to the law.

The Council of Economic Advisers, operating under this law, constitutes a specific agency of the government, divorced from a special interest in any particular program or policy in order that it may objectively serve the President, Congress and the country in developing and appraising an over-all economic policy.

Leon H. Keyserling, vice-chairman of the Council, said the other day that there is widespread agreement that the core requirement for maintaining maximum production, employment and purchasing power is to maintain equilibrium in the flow of income between those who use it or want to use it for additional production in order to earn still more income, and those who use it as consumers for the satisfaction of the wants and niceties of life. The quantitative factors in this equilibrium, and the means of obtaining it, are not matters of agreement. But there is more general agreement that the job has not been done well enough in the past, and that it can and should be done better in future.

Responsibility for the better solution of this problem of economic equilibrium rests mainly in the area of price and wage policy, because the relationship between these two items mainly determines whether businessmen earn enough profits to stimulate productive initiative and whether consumers have enough income to buy the products as rapidly as they are produced.

Future prosperity and the future of the free enterprise system, Mr. Keyserling said, depend largely on whether or not these price and wage policies are made with wisdom and foresight and temperance, and with understanding of their profound effect upon general levels of economic activity, in the longer run and not only for the moment of quick gain.

A Diminishing Use of Force

So long as we retain our free enterprise system, there will never be complete agreement between management and labor regarding the wage-price-profit relationship, and some of these disagreements will continue to be determined by the relative strengths of the parties. But the hope of the private enterprise system rests upon a diminishing use of force, and upon increasing understanding of those wage-price-profit relationships that will maintain production and consumption in balance at the highest feasible levels.

While both management and labor have a job to do in gaining and applying this knowledge, Mr. Keyserling said it is up to management to take the lead. Management must raise its sights to the broader considerations of sustained economic prosperity as against the more limited consideration of immediate profit and loss. While the government should keep away from the regulation of prices and wages, there may well be aids which the government can extend cooperatively to private enterprise in making studies of nation-wide conditions and the working of the economy. These would provide management with guides and standards in the determination of basic economic policy. These aids by the government might be likened to the sending out of weather reports although the government does not require anyone to take shelter from the storm.

The more successful our business system becomes in discerning those factors and in making the decisions which add up to economic equilibrium, the less need will there be for fiscal or compensatory devices by the government for the straightening out of real or supposed disturbances in the economy.

(Continued from Page 26)

indirect tax advocates had hoped. He is using it also to direct consumption away from inessential expenditure, to devote, presumably, more dollars to capital equipment. It is a bold procedure, and one which had been advocated—though not to such extremes—in financial circles.

Whether the loss of incentive to millions of wage earners will be worth the savings of dollars—or, rather, whether the dollars should not have been saved by other methods—is open to question. It is even open to question whether the cut of 25 per cent in consumption, saving $30 million, will be achieved. The Chancellor estimates an additional revenue of £75 million from this source this year, and, as increased tobacco prices have had no visible effect in the past, he may, for once, get more than he wants. On the other hand, he may get much less, in which case the experiment may land him in budgetary difficulties.

The intention gradually to lighten the food subsidies is a policy pointing the same way. With world prices soaring, the subsidies have certainly become a heavy burden on the Exchequer, the total requirement being estimated at £425 million this year. They have, however, been the basis of the plan to stabilize the cost of living, and unless this form of price-control is maintained there may be a series of strong demands for wage-increases such as threaten serious upheavals in the U.S.

The adjustments to income tax give back to the lower-income groups some of what they lose on indirect taxes. The principle of granting a larger tax-free allowance on earned incomes, and of restoring the pre-war allowance for children, is unquestionably sound, though a general trend towards lower direct taxation and higher indirect taxation—if that is the meaning of the alterations made this year—cannot be so strongly commended.

Big Cut Unjustified

There is some disappointment, though not much surprise, in financial circles that the standard rate of income tax remains at the high level of 9s. in the pound—only 1s. below the wartime peak. It is, however, obvious that a major tax concession is not this year justified.

The 12½ per cent tax on distributed company profits, as a substitute for excess profits tax (which was reduced from 100 to 60 per cent last year and finally ended last December), is not as serious as most companies had feared. It has the disadvantage of operating relatively heavily against companies with highly-geared equity capital, but it arouses less objection than a tax on dividends.

The Chancellor has repeatedly warned against the inflationary effects of rising dividends, and he again urges companies to convert some of their high profits into real capital; but in the past these exhortations have had little effect. The tax on profits thus retained is only 5 per cent, as when E.P.T. was operative. The distinction seems wise.

Other duties on the capital-owning class are described as irritating but are not penal. Higher rates of legacy and succession duties will increase slightly the sums accruing to the Exchequer from inheritance. The doubling of Stock Exchange and various other transfer fees will additionally tax capital turnover but not capital itself—in any case, the period of big turnover was last year. On the whole, there is no evidence of a fiscal policy aimed against the capital-owning class, such as financial circles had feared from a Labor Chancellor.

The Budget has evidently been aimed to ease the inflationary pressure without a resort to deflation, and to balance the national accounts now, with a view later, perhaps, to a deficit which would act as a stimulus if deflation threatened industrial activity. Whatever the rights or wrongs of the details, the general plan appears sound. There are no radical changes, no risky experiments. And cheap money, which the Chancellor has so often been urged to abandon, is to be maintained, but evidently not pressed too far.

NEWS OF THE MINES

Current Drilling Is Interesting in New Ground at McKenzie

By JOHN M. GRANT

IN THE 12 years since milling commenced at McKenzie Red Lake Gold Mines, value of production has exceeded $10,000,000 and $2,801,850 or 93 cents per share, was paid in dividends. Production in 1946 amounted to $595,398 as compared with $492,583 in the previous year. A net profit of $6,898 was shown after write-offs, and this was accomplished after sustaining a loss of $39,713, after write-offs, for the first seven months of the year and despite the fact that the parity action move cost the company $31,000 in the last five months. As H. G. Young, president and managing director, points out, without these handicaps the net profit for the company for the year would have been over $77,000. Operations during 1945 were carried out at a loss of $11,691. The present management took over the mine in July, 1946, and in five months, with a mine in bad physical condition due to the war, with inadequate labor and development, has given an excellent performance.

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A new and extremely interesting development in absolutely new ground at McKenzie Red Lake Gold Mines is dealt with by Mr. Young in the annual report. Since the beginning of 1947, two holes have been put down in this entirely undeveloped section and both returned values. One hole was drilled from the 11th level near the winze station and one from the 8th level in the same location, both holes drilled down at 35 degrees from the horizontal into the footwall to the sedimentary contact to the east. The results, Mr. Young states, are indicative only and it will take a lot of drilling to establish the importance of the structure. However, he adds, the development is new and extremely interesting. The best results from the 11th level hole are: $6.30 over 1.5 feet, $12.60 over 0.8 feet, $7 over 3.4 feet, $7.70 over 1.4 feet and $7 over 3.0 feet. The best section in the 8th level hole is $9.10 over 2.5 feet.

•

The war years and the lack of development have severely depressed the average grade of the ore at McKenzie Red Lake Mines, but with normal development returning the management is optimistic of both improved grade and production. It is aimed to step up development to a minimum of 1,000 feet per month just as soon as possible. The ore lengths developed during the year amounted to 489 feet in the southeast zone, and 603 feet in the northeast zone, making a total of 1,092 feet. It is estimaed that the remaining ore lengths amount to 6,250 feet. Past experience has shown that approximately 1,400 feet of new ore lengths per year is required to maintain the ore position of the mine. Due to the lenticular character of the orebodies and their sporadic dis-

(Continued on Page 31)

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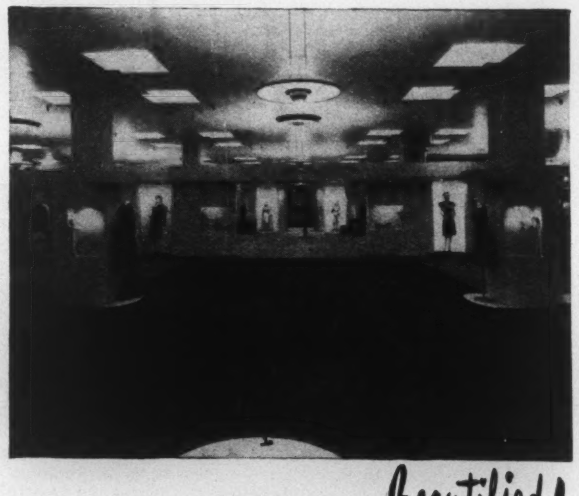

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GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

S.A.K., London, Ont.—CANADA AND DOMINION SUGAR CO.'s strong working capital position ($16,215,000 at the end of 1946, comparing with $16,402,000 at the end of 1945) has made possible the payment of higher dividends than were actually earned in those years. The company in 1946 earned operating profits of $1,565,000 as compared with $1,238,000 in 1945. With investment income the profit before taxes amounted to $1,915,000, whereas the total for 1945 was $1,570,000. Taxes in 1946 amounted to $800,000 as compared with $630,000 in 1945. After taxes net profit was $1,115,000 against $940,000 in 1945. In both years the dividend rate of 80 cents a share annually on 1,500,000 no par value common shares made necessary the payment of $1.2 million.

C. R. S., Fredericton, N.B.—I understand preparations are underway at the GOLDEN HOPE MINES property, in the Fort Hope area, about 80 miles east of Pickle Crow-Central Patricia, to carry out new underground work and diamond drilling. A crew has been cleaning out the shaft put down by the previous operators and it is planned to extend the 100-foot level some 500 feet to the northeast to explore the ore zone along its strike. It is also proposed to do further diamond drilling. In the opinion of the company's consulting engineer, promising possibilities exist for extending ore lenses developed in former operations. A magnetometer survey was carried out last fall by Koulomzine, Geoffroy, Brossard & Company, who state in their report that the geological setup outlined by the survey, together with the existence of a high grade showing, makes the property a promising prospect.

R.G.H., St. Catharines, Ont.—Heavier sales and higher prices for products in the second half of 1946 enabled STANDARD CLAY PRODUCTS LTD. to show a net income for last year as against a net loss for the year before. Operating profits were $106,581 for 1946 against $38,859 for 1945, net income of $30,689 contrasted with a deficit of $15,486 for 1945, and working capital was $293,839 against $274,181. C. S. Trotter, president, says it is anticipated that the St. Johns, Que., and New Glasgow, N.S., plants will operate at capacity this year provided strikes in the coal-mining industry or shortages of other supplies do not force curtailment.

E. R. G., St. Marys, Ont.—I understand that quartz carbonate bands, typical of the COCHENOUR WILLANS ore zones, are being intersected in the present underground development at the Richmac Gold Mines property. The favorable geology is reported appearing in Richmac ground in the crosscut being driven from the 475-foot level of the adjoining Cochenour Willans mine. The in-

The Stock Appraiser

By W. GRANT THOMSON

SUCCESSFUL investment depends on knowing two things: (1) What to buy (or sell) (2) When to buy (or sell). The Stock Appraiser—a study of Canadian stock habits—answers the first question. An Investment Formula provides a definite plan for the second.

All active and well distributed stocks (with a few minor exceptions) advance or decline with the Averages. The better grade investment stocks do not normally move as fast as the averages, while on the other hand the very speculative issues have a relative velocity more than twice or three times as great.

The STOCK APPRAISER divides stocks into three Groups according to their normal velocity in relation to the Averages.

The Factors affecting the longer term movements of a company's shares are ascertained from a study of their normal habits. Predominant Factors are shown as:

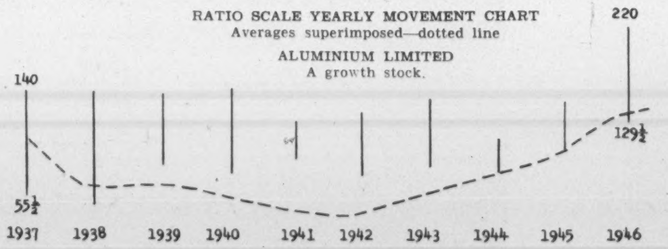
GROUP "A" Investment Stocks	1. FAVORABLE
GROUP "B"—Speculative Investments	2. AVERAGE or
GROUP "C"—Speculations	3. UNATTRACTIVE

A stock rated as Favorable has considerably more attraction than one with a lower rating, but it is imperative that purchases be made, even of stocks rated Favorable, with due regard to timing because few stocks will go against the trend of the Averages.

The Investment Index is the average yield of all stocks expressed as a percentage of the yield of any stock, thus showing at a glance the relative investment value placed on it by the "bloodless verdict of the market-place."

ALUMINIUM LIMITED

			Averages		Aluminium	
PRICE 31 Mar 47	—$196.00					
YIELD	— 4.5%	Last 1 month	Down	2.4%	Up	1.5%
INVESTMENT INDEX	— 98	Last 12 months	Down	9.9%		Unch.
GROUP	— "B"	1942-46 range	Up	160.0%	Up	183.7%
FACTORS	— Above Average	1946-47 range	Down	19.6%	Down	42.7%



SUMMARY:—It must be tremendously difficult for a statistician to condense within reasonable limits, the activities, finances and possibilities of a company so extensive as Aluminium Limited. It taxes the ability of many to visualize the enterprises owned or controlled by this holding company. It is chiefly engaged in mining, fabricating and selling aluminium and in producing and selling hydro electric power. The latter feature includes control of the huge Shipshaw development on the Saguenay River.

Aluminium Limited, through subsidiaries, has ore reserves in British Guiana, smelting plants in Canada and Sweden, and fabricating plants in Canada, England, Switzerland, China and India. Mention was recently made of the addition of magnesium to its many interests.

The characteristics of the stock are much more easily followed than the financial statements. The shares have very wide dollar movements, but the actual percentage movements are not unduly great. Aluminium is a growth stock, out of reach of many investors of modest means because of its price, but affording a reasonable return and slightly better than average possibilities over the longer term.

Insurance companies may invest in these shares.

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Chartered Accountants
Toronto Kirkland Lake

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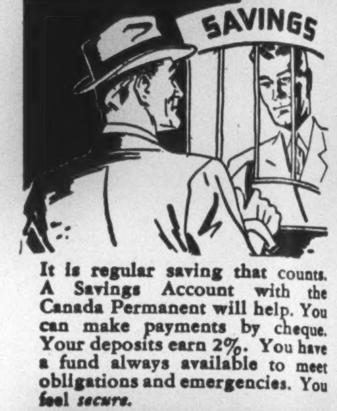

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Noranda Mines, Limited

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Fifty Cents (50c) per share, payable in Canadian funds, has been declared by the Directors of NORANDA MINES, LIMITED, payable June 16th to shareholders of record at the close of business May 15th, 1947.

By Order of the Board.

J. R. BRADFIELD,
Secretary.

Toronto, April 25, 1947.

DAVIS LEATHER
COMPANY LIMITED

NOTICE OF DIVIDENDS

Notice is hereby given that a quarterly dividend of 37½c per share has been declared on the outstanding Class A shares of this Company payable June 1, 1947, to shareholders of record at the close of business on May 1, 1947.

Notice is hereby given that a quarterly dividend of 17½c per share has been declared on the outstanding Class B shares of this Company payable June 1, 1947, to shareholders of record at the close of business on May 1, 1947.

By Order of the Board.

R. BURNS LIND,
Secretary-Treasurer
and General Manager.

Newmarket, Ontario,
April 23, 1947.

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dicated Richmac ore zone is about 150 feet north of the boundary between the two properties. The crosscut is now progressing entirely within the Richmac property and as soon as it reaches its objective short drifts will be run east and west preparatory to diamond drilling from underground stations at the drift extremities.

N.H.D., Winnipeg, Man. — Yes, MOUNT ROYAL HOTEL CO.'s earnings dropped last year, from a net of $189,277 or $1.34 a share in 1945 to $157,612 or $1.10 a share for the year ended Nov. 30, 1946. Figures for both periods are exclusive of refundable tax. The decline of $31,665 in net income was largely due to an increase in expenses, foremost of which was the rise of $223,990 in the payroll as a result of an increase in wage rates and a larger staff. In 1946, the company spent $143,110 on capital improvements. Net working capital was $73,297 against the preceding year's $192,222.

D. R. H., Transcona, Man.—According to the annual report of ANGLO-ROUYN MINES, as at Dec. 31, 1946, indicated ore reserves were 151,500 tons averaging 0.213 ounces gold per ton. Of this total 30,400 tons, grading 0.251 ounces was partially developed in the area between 575 feet depth and surface, and 121,100 tons averaging 0.204 ounces had been indicated by diamond drilling. Underground development during 1946 consisted largely of opening up the second and third levels at vertical depths of 400 and 525 feet respectively. Since the first of the year the partially developed ore above the 575-foot depth has been increased and the grade better. Up to the end of March, partially developed ore, up from 575 feet amount- to 58,500 tons, grading 0.265 ounces. At the end of the year the company had net working capital of $189,619. Of the authorized capitalization of 3,500,000 shares, 3,482,585 are outstanding.

B.F.G., Orillia, Ont.—The retail business of HOLT, RENFREW & CO., LTD., which operates retail stores dealing in furs and men's and ladies' ready-to-wear clothing, reached a record volume last year and proved profitable to the company, but the wholesale fur department operated by the company and its subsidiary, Amcan Furs, Ltd., incurred very substantial losses states Alvin J. Walker, president, in the company's annual report. These losses, he added, were partly due to a serious decline in the value of furs late in 1946 and the situation was further aggravated by the financial difficulties experienced by Motty Eitingon, Inc., a fur processing firm with which the company deals. The financial statement for the year ended Jan. 31, 1947, reveals combined operating profit of $1,334,845. After all charges and a loss of $22,099 in writing down to $1 investment in a wholly owned subsidiary, there remained a balance of $1,134,071. Respective losses of $896,471 and $1,714,687 are shown in writing down inventory of raw furs and skins held in United States and an account receivable from Motty Eitingon. After $624,300 claim for refund of taxes and $435,140 contingent applied against losses, there was a net charge to surplus for the year of $416,645. Dividends paid on the preferred stock amounted to $70,000, so that earned surplus was reduced $486,645 during the year to $436,267. In the previous year the company reported a net profit of $144,282. Balance sheet as of Jan. 31, 1947, discloses current assets of $3,565,992 and current liabilities of $4,687,434, as contrasted with $2,739,641 and $1,532,744, respectively, a year earlier. So far in the new year, Mr. Walker said, the record volume of retail business of the past year has been maintained and the outlook continues reasonably promising.

H. W. V., Hamilton, Ont.—I understand that SANYMAC MINING AND DEVELOPMENT CO. has been negotiating for funds to carry out further work on the property held at Cobalt. The property comprises part of the former Coniagas and Trethewey holdings in that camp, and both were high grade silver producers at one time. The company had a deal with Ventures, but as diamond drilling failed to outline an orebody, the option was dropped. Back in 1943, G. R. McKaren, consulting engineer, estimated that 140,000 tons of positive ore remained on the Coniagas, with the possibility of further ore from exploration. It was also estimated further ore remained on the Trethewey property. Interest on 6% first mortgage bonds is about a year overdue. These mature June 1, 1948. It is stated that money raised from sale of the bonds was used to deepen the shaft on the Cobalt property and buy new equipment. Gold prospects of 12 claims in Bernhard township and six claims in the Katrine Lake area are also held by the company, but I am unaware if all the Katrine Lake group is still owned, as four claims were listed a year ago as in default for over two years' taxes.

W.K.M., Pembroke, Ont. — Your shares of GRANADA GOLD MINES are valueless. The property went through a number of company reorganizations and ultimately the property was purchased by R. C. Gamble, who sold a half interest to J. C. Elder. It has just been reported that the property, which is located some five miles south of Rouyn, has been taken over by a new company, known as Old Mill Gold Mines, Ltd. I understand preparations are being made to reopen the property, inactive for ten years, immediately. Unwatering of the mine workings is expected to take several months.

BUSINESS AND MARKET FORECAST

Critical Point -- October Lows

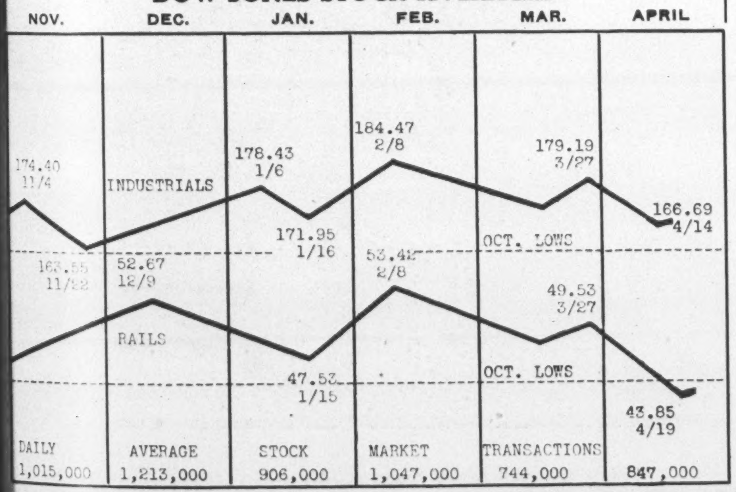
BY HARUSPEX

THE LONG-TERM N. Y. STOCK MARKET TREND: While the decline of the last half of last year went some distance toward discounting maladjustments in the economic picture, evidence is lacking that a point of fundamental turnabout has yet been reached. Following a minimum technical recovery from October into February, intermediate decline has subsequently been under way.

Break of the January low points by both the Dow-Jones rail and industrial averages implied a test by the market of the October 1946 bottoms. This test is now under way. Indeed it may have been completed, although it is yet too early to judge the matter with any assurance. In any event, the rail average sold fractionally under its October low point on five occasions between April 14 and 19. In the face of this weakness by the rails, the industrial average moved down to within approximately three points of its October 1946 low but refused to decline further. Furthermore, volume of trading decreased as the five-day testing movement proceeded. This refusal by one average to confirm weakness of the companion average at a critical point, along with the drying up of activity, called for minor rally and this has subsequently been witnessed.

Sooner or later the rallying movement will subside and then will come the real test as to the market's several-month trend. If both averages on such decline move decisively into new low ground since last October, the bear swing will have been reconfirmed and substantially lower price levels would be in order. To the contrary, if one or both averages hold above recent low points and renewed strength then carries the two averages above what proves to be their peak on the current rally, probabilities would favor the upmove continuing until the industrial average goes above its recent February peak. The answer, one way or another, as to the several-month trend may be in how the labor and commodity price problem are resolved over the weeks ahead.

DOW-JONES STOCK AVERAGES



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Quotations and Records

With values of securities fluctuating through changing financial and general economic conditions it is essential to keep informed of current prices of securities held. Investors are invited to make use of the facilities of our organization to obtain latest security quotations.

Lists of securities will be valued and entered in a convenient "Investment Record" and returned promptly. Space is included in the "Record" for detailing interest and dividend payments received which is useful for tax purposes.

Copy of "Investment Record" will be forwarded upon request.

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NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "A" shares and a quarterly dividend of 25 cents per share and a bonus of 12½ cents per share on the Class "B" shares of the Company have been declared for the quarter ending May 31st, 1947, payable on the 2nd day of June, 1947, to shareholders of record at the close of business on the 6th day of May, 1947. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board.

R. G. MEECH,
Secretary.

Toronto, April 22, 1947.

SIMPSONS, LIMITED

Preferred Dividend No. 9

NOTICE is hereby given that a Dividend of One dollar and twelve and one-half cents ($1.12½) per share on the Outstanding Paid-up Four and one-half per cent (4½%) Cumulative Redeemable Preferred Shares of the Company has been declared payable June 16, 1947, to shareholders of record as at the close of business on May 16, 1947. The transfer books will not be closed.

By Order of the Board.

Frank Hay,
Secretary

Toronto, April 19, 1947

ABOUT INSURANCE

Why Employers Need Dishonesty Cover to Protect Their Assets

By GEORGE GILBERT

There is no sure way of predetermining who among the population of a community or the employees of any business firm will at some time or other commit the crime of theft, embezzlement or defalcation. Those who held high positions of trust as well as those in the humblest ranks of employees have caused heavy losses by their dishonesty.

Despite the many precautions taken to prevent such losses by way of better accounting and auditing methods, by checks and double checks, etc., they keep on increasing, and the need of obtaining insurance protection against this drain on business assets is becoming more generally recognized.

WHILE virtually all owners of business property, as well as most individuals owning homes, carry fire insurance as a matter of course to protect such assets, not all employers appreciate the fact that dishonesty insurance affords the same needed protection to them against the risk of their assets being stolen or made away with by any of their employees.

One of the main reasons why many employers are still without this type of protection is because they have such implicit trust in those who work for them that they see no need for it. Of course the record shows that such trust has often turned out to have been sadly misplaced, resulting in heavy and sometimes crippling losses caused by unbonded employees. It is in small corporations or business firms, where the employer knows his employees intimately, that such unbounded confidence is most frequently found, and, unfortunately, it is the small business that is usually in the weakest position to stand a heavy embezzlement or defalcation loss.

In brief, the main function of dishonesty insurance is to protect the employer against pecuniary loss, up to the limit stated in the bond, caused by the dishonest act of any of his bonded employees. Another important function performed by the bonding company under most of such contracts is the prior investigation of the past history of those to be bonded, for which it is generally much better equipped than is any employer.

Cuts Costs

This investigation, by eliminating those whose past records definitely place them among the undesirables, not only enables the employer to maintain a better class of personnel but also tends to reduce losses and also the cost of the coverage to him, as the lower the amount of losses the lower the amount which the company must collect in premiums, in addition to an amount for expenses and profit, if it is to remain solvent and stay in business.

It is well known that the existence of a bond on an employee exercises a certain moral restraint upon him when tempted to go astray, while the employee who is not under bond is not held back by the knowledge that a bonding company is in the picture, and that its expert investigators will be on the job should any loss occur.

As an illustration of the moral effect of fidelity bonds as a deterrent to dishonest employees, Asst. Vice-President C. H. Peterson of the Maryland Casualty Co., cited the case of a department store without such protection whose management is aware of considerable undiscovered theft going on by employees, and that the annual inventory loss, while partly attributable to errors and outsiders, may largely be attributed to employee stealing.

In order to remedy the situation, the store makes application for a bond covering all employees, and each employee is furnished with an application form to be completed for the purpose of investigation by the bonding company. As a result certain undesirable employees may be eliminated, but, in any event, the annual inventory loss will be found to have been reduced. This decrease may logically be attributed to the moral effect of the bond upon the employees, as the dishonest ones were unwilling to take the chance of being apprehended and having to deal with the bonding company.

Employee Benefits Also

Certain benefits which dishonesty insurance provides for employees were also pointed out by Mr. Peterson, which should not be overlooked by either employees or employers. Many an employer has said: "I do not want to bond my employees because they will think I distrust them," or "Employees might not like the idea of being investigated and would be offended." Experience shows, however, that an employee who has nothing to fear does not object to an investigation by a bonding company.

As far as the employee is concerned, the fact that he has been investigated by a bonding company and found to be entirely acceptable furnishes him with a permanent reference, as attested by the fact that bonding companies receive many letters from bonded employees requesting references to new employers. As Mr. Peterson said: "What better reference could an employee have than to refer his prospective employer to the surety company which bonded him in previous years?"

In considering the question of whether or not to bond employees, the matter of cost and coverage is often uppermost in the mind of the employer. What type of bond will best meet his particular requirements and what would be the cost of such coverage as will adequately protect his interests? In most cases, the blanket bond, covering all employees on the payroll, will be the best contract of dishonesty insurance for him, the cost depending upon the amount of the bond which he considers will afford adequate protection.

Blanket Bond Cost

For example, the case is cited by Mr. Peterson of an employer who feels the need of such protection, and decides that a $10,000 blanket bond will meet his requirements. He has a total of 31 employees on his payroll, and for rating purposes they are divided into 8 A employees, 5 B and 18 C employees. The annual premium for this commercial blanket bond would be $109.35, according to Mr. Peterson, or about $3.50 per annum per employee for the $10,000 protection.

If the average annual salary of the 31 employees is say $3,000, by adding, as it were, $3.50 to the average annual pay, making it $3,003.50 per year, the $3.50 going to pay for the bond, the employer would receive not only the service of the employee but also a guarantee to the amount of $10,000 in the event the employee proves dishonest. The employer would thus obtain a financial guarantee of the honesty of each employee impossible to obtain in any other way, at a cost of approximately one-tenth of one per cent of the average annual salary.

One of the features often overlooked by employers in considering the question of bonding employees is the

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O. D. JOHNSTON has been appointed president of Gooderham & Worts Limited, Toronto, producers of beverage and industrial alcohols since 1832. Mr. Johnston graduated from The University of Toronto as a Bachelor of Science in chemical engineering. He had a varied business and technical career before joining Gooderham & Worts Limited in 1937 as manager of the Industrial Division. In 1939 he was elected to the board of directors, and two years later was named vice-president, assuming full responsibility for plant and production.

Mr. Johnston served three years with the Canadian Army in World War I before graduating from University in 1923. He is a member of the Association of Professional Engineers; the Chemical Institute of Canada: The Engineers Club: the Albany Club; and the Kiwanis Club of Toronto.

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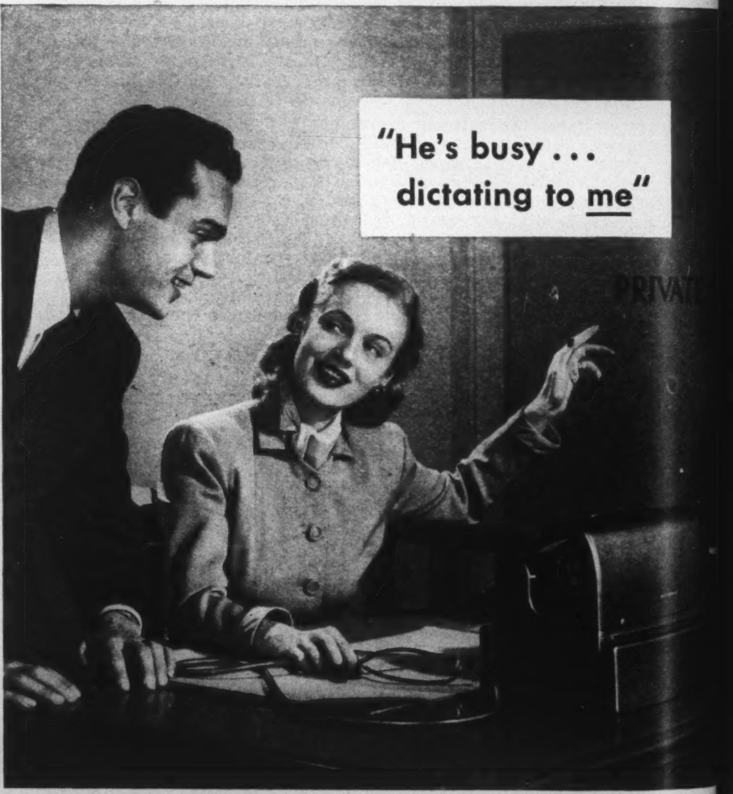

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valuable claim service furnished by the companies selling dishonesty insurance. Experience has shown that in a large majority of losses through the dishonesty of employees, the employees causing the losses have not been bonded for adequate amounts, so that the loss exceeds the amount for which the employee was bonded. Consequently, though the employer is reimbursed by the bonding company to the amount of the bond, he still has a loss for which he did not have coverage.

Under its broad form of bond, the bonding company agrees to fully reimburse the employer before applying any salvage it may obtain to its own loss. Hundreds of thousands of dollars are recovered annually by bonding companies from past defaulters, and where there has been an excess loss much of this recovered money goes eventually to the former employers of the defaulters.

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News of the Mines

(*Continued from Page* 27)

tribution in the shear zone, it is difficult to give definite estimates of tonnage and grade, until stope development and raising between levels is further ahead. However, the ore position was fairly well maintained for the year. The company's net working capital at the end of the year totalled $470,047 as compared with $443,317.

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Due to the excessive cost of drilling operations through overburden, Seventh Malartic Mines, controlled and operated by Perron Gold Mines, has temporarily halted work. Up to the end of 1946 total development expenses and charges totalled $102,005, of which $78,792 was spent on diamond drilling. The company's balance sheet as of December 31, 1946, showed cash in the bank of $293 against advances from Perron of $65,837.

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Canadian Malartic Gold Mines increased development during 1946, with the result that substantial additions were made to the ore reserves. However, the loss of the exchange premium on gold sales compelled a complete readjustment of previous figures, with the elimination of a large tonnage of material, not profitable under present conditions. The net result is a reduction in ore reserves of 171,500 tons and an increase of 24 cents per ton in gross value. The probable ore reserve position is equivalent, under present operating conditions, to an ore supply for four and a half years at full milling capacity. In addition there is indicated, roughly an equal amount of marginal material on which profits could have been earned under pre-war conditions. The return of the Canadian dollar to par with the U.S. dollar resulted in a reduction in income from gold sales of $62,944, or 19.9 cents per ton milled. Operating costs were higher by 21 cents at $3.34 per ton milled, due mainly to increased charges for labor and supplies. Working capital at $803,883, supplies excluded and securities taken at cost, was somewhat lower than at the end of the preceding year. Net profit amounted to $173,994 equal to 4.76 cents per share, as against $319,390 or 8.75 cents per share in 1945. J. P. Millenbach, general manager, reports that the condition of the mine as to ore production has been considerably improved during the past year.

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Approval has been given by shareholders of Hosco Gold Mines to increase the authorized capitalization from 3,000,000 to 4,000,000 shares. A block of 250,000 of these shares has been underwritten at 60 cents per share and an option granted on a like amount at the same price. The additional funds will be used to generally speed up the development program towards production. Work to date on the 350 and 500-foot levels has revealed values, but in shoots too short to be called ore. The area where the best diamond drilling intersections occurred is located about 750 feet west of the shaft and it will be some time before these can be investigated from underground. It is not expected the mill will be run except in a testing capacity until sufficient ore reserves are available to run the mill at capacity.

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Encouraging results were encountered in surface diamond drilling at Perron Gold Mines, last year in the section to the north of the main shear zone, A. J. Davis, president, states in the annual report. The company was again active in outside exploration work. Development at Perron had to be further cut and ore reserves declined 26,934 tons to 174,000. Tonnage for the year was higher and current assets and working capital increased, with the cost per ton milled being lowered. Net profit amounted to $165,768, or 8.29 cents per share as against $257,448, or 12.87 cents per share in 1945. Dividends amounting to 10 cents a share were paid during the year. Net working capital was up $109,568 at $852,136.

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As soon as the broken ore in the mine has been milled and a complete clean-up of the mill made, Reno Gold Mines, plans to drop its lease of the Central Zeballos Mine, according to the annual report. Development below the No. 5 level has not disclosed any ore reserves. The company also announces purchase of the Canadian Creek, gold dredging property, in the Yukon territory for the considera-

(*Continued on Page* 32)

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MONTREAL TRAMWAYS COMPANY

Annual Report for Year Ended 31st December, 1946

Report of the President and Directors

For the Year Ended 31st December, 1946

TO THE SHAREHOLDERS:

Your Directors herewith submit their Annual Report for the year 1946.

Revenue:			
Operating Revenue—Tramways		$19,435,626.25	
" " Autobus		5,063,220.86	
			$24,498,847.11
Expenses:			
Tramways			
Operating Expenses	$10,906,860.05		
Maintenance and Renewals	3,570,838.84		
		$14,477,698.89	
Autobus			
Operating Expenses and Maintenance	$ 4,096,887.28		
Depreciation	747,898.75		
		4,844,786.03	
Taxes (other than Income Taxes)		575,707.89	
City of Montreal Rental		500,000.00	
			20,398,192.81
Net Operating Revenue			$ 4,100,654.30
Other Income:			
Interest on Securities, Call Loans, etc.		$ 165,187.95	
Dividends		75,545.75	
			240,733.70
			$ 4,341,388.00
Deductions:			
Interest on Bonds		$ 2,065,628.00	
Exchange		50,568.39	
Amortization of Bond Discount and Expenses		10,942.00	
			2,127,138.39
			$ 2,214,249.61
Provision for Income and Excess Profits Taxes			788,000.00
Net Income transferred to Surplus			$ 1,426,249.61

SURPLUS AS AT 31st DECEMBER, 1946

Balance at beginning of period		$ 2,100,629.36
Net Income as per Profit and Loss Statement		1,426,249.51
Transferred from Contingent Reserve		9,000.00
		$ 3,535,878.97
Deduct:		
Transferred to Depreciation Reserve	$ 1,000,000.00	
Reserve for Financing	187,376.68	
Premium paid on Bonds purchased for Sinking Fund	1,940.00	
		1,189,316.68
Balance at end of period		$ 2,346,562.29

Operating:

The number of revenue passengers carried during the year was 396,480,489, an increase of 10,905,448 over the previous year, and the largest number carried by the Company in any one year.

The number of miles operated by the various vehicles is as follows:

Tramways	36,062,955
Buses	13,838,159
Trolley Buses	314,174

a total of 50,215,288 miles. The average daily operation covered 137,576 miles and such operations were in large part carried on in streets where traffic conditions presented many difficulties.

Taxes, Snow Removal and City Rental:

Included in operating costs for the year are the following:

City of Montreal:	
Snow Removal, Taxes and Annual Rental	$ 1,490,225.17
Other Municipalities:	
Snow Removal and Taxes	58,572.16
Federal Government:	
Income Tax, Gasoline Tax, etc.	878,561.41
Provincial Government:	
Taxes, Gasoline, etc.	363,593.29
	$ 2,790,952.03

The Company, from 1918 to December 31st, 1946, has paid the following amounts to the City of Montreal:

On Account of Snow Removal	$ 6,441,325.66	
On Account of Annual Rental	11,861,711.60	
On Account of Taxes	12,737,248.32	
		$31,040,285.58
The Company has also expended for Maintenance of Street Pavement a further sum		4,574,124.04
		$35,614,409.62

Capital Account:

The total amount expended on Capital Account during the year was $2,011,893.28.

Income Tax:

In the Annual Reports for 1943, 1944 and 1945 reference was made to proceedings pending in the Department of Income Tax with reference to the Company's income tax liability. An arrangement in respect to these matters has been arrived at with the Department of Income Tax and is now being finalized. The Company's auditors have certified that in their opinion, based upon the arrangements arrived at, the reserves which have been set up by the Company for the purpose are sufficient to meet any additional amount of Income and Excess Profits taxes which may be found to be due by the Company for the years 1942 to 1945 inclusive.

Labour Relations:

A Labour Agreement has been entered into with the Canadian Brotherhood of Railway Employees and Other Transport Workers, effective until July 1st, 1947.

Rolling Stock:

Buses:

Forty (40) new buses ordered for delivery in 1945 were received in the spring of 1946.

Of another one hundred (100) buses ordered for 1946 delivery, sixty (60) were received within the year.

The balance of the order, namely forty (40) buses, were delivered early in 1947.

The Company has purchased another fifty (50) gas buses and forty (40) trolley buses for delivery in 1947.

Some of the Company's larger sweepers and freight cars have been equipped with snowplows and heavy spreader wings. These have proved to be more efficient than the sweepers formerly equipped with rattan, which is now unobtainable, and the new type of equipment will probably be standardized for the future.

Two (2) 4-wheel drive, 6-ton trucks have been purchased from war surplus. These trucks were equipped with sheer plows and Willet graders. Their performance in cutting down ice formation on tracks has been very satisfactory.

Track Construction and Renewals:

In addition to ordinary maintenance, track renewals were completed in the following streets:

Tangent Track:

St. Denis, St. Catherine to Ontario	2,615	feet single track
Notre Dame, McCord to Colborne	1,669	" " "
St. Lawrence, St. Catherine to Ontario	1,266	" " "
St. James, Glen to St. Remi	1,300	" " "
St. James, St. Gabriel to St. Lawrence	554	" " "

Special Trackwork was installed at the following interesctions:

Rachel and St. Denis
Ontario and Amherst
Laurier and Papineau
Rachel and St. Lawrence
Wellington and McGill
Notre Dame and Viau
Craig and Gosford

Grade revision and reconditioning were carried out on 23,100 feet of single track, the main items being: St. Denis Street; Gilford to C.P.R. Subway; and the Lachine Line, from September Avenue to Senecal.

Track Removals: 8,227 feet of single track were removed, the principal item being on Querbes Avenue, Blair to Ogilvy, for a length of 5,655 feet.

Electric Switches: New electric switches were installed in five locations, bringing the total of such installations to 77.

Buildings:

The erection of two large buildings was commenced during the year, both located on the Youville Shop property.

The Cremazie Shop—for the repair of buses. The Company's original repair shop is located at the St. Henry Garage, the first section of which was built in 1926. This shop has proved to be inadequate for the number of buses presently in operation, and the new repair shop has been designed for the maintenance of a fleet of at least 600 buses, with provision for future extension when required.

Estimated Cost: $1,100,000.00.

The Villeray Garage: An increase in the number of buses in service has made necessary the erection of this new operating garage to serve 120 buses.

Estimated Cost: $550,000.00.

Two-way, F.M. Radio Communication Systems:

Three (3) light automotive vehicles have been equipped with radio apparatus for the use of special traffic supervisors. Two of these vehicles are employed in the Company's east and west divisions during the day, while the third will operate continuously throughout the night.

This mobile service has operated to great advantage during snow-storms and where unexpected blockades have occurred on the system.

Traffic Congestion:

Congestion of traffic in most of the City streets has seriously affected the regularity of the Company's service, particularly in the centre of the City and during the rush-hour periods. This situation is not improving and the Company is unable to handle effectively its volume of traffic that must be routed through the main downtown streets and intersections.

To provide some measure of relief, the City has introduced certain remedial measures, such as, One-way Streets, elimination of parking in certain locations, and the adjustment and modernization of traffic signals, and it is hoped that they will be further extended. These measures, while helpful, will not, however, meet and solve the problem of traffic congestion.

Your Directors are convinced that no substantial improvement in traffic conditions can be obtained without the expenditure of a large amount of money. It is suggested that the first and most urgent requirement is the building of subways, and that this work should be given precedence over other projects, such as street widening and the construction of expressways through the congested sections of the City.

Your Directors desire to place on record their sincere appreciation of the faithful and efficient service of the Officers and employees of the Company throughout the year.

Submitted on behalf of the Board of Directors.

R. N. Watt,
President.

General Balance Sheet

As at December 31st, 1946

ASSETS

Current Assets:			
Cash and Demand Deposits	$ 2,925,677.29		
Call Loans	4,725,000.00		
		$ 7,650,677.29	
Marketable Securities, at cost (Market Value $1,795,151.00)		1,708,557.50	
Accounts Receivable		38,919.66	
Inventories of track and overhead materials, Street Car and Autobus repair parts and supplies, etc., at cost (as determined and certified to by Officials of the Company)		1,178,234.24	
Due by Employees on Victory Loan Subscriptions		113,540.75	
Accrued Interest Receivable		40,185.67	
			$10,730,115.11
Investments:			
Company's own Bonds (Par Value $98,300.00)		$ 71,673.51	
Securities of Affiliates		1,325,248.33	
Securities held for account of Guarantee Fund (Market Value $520,625.00)		500,000.00	
Securities held for account of Autobus Depreciation, Financing and other Reserves (Market Value $4,136,062.00)		3,950,000.00	
			5,846,921.84
Fixed Assets:			
Property, Plant and Equipment		$55,367,426.78	
Less Reserves—			
Maintenance and Renewals	$ 374,222.29		
Depreciation, General	10,000,000.00		
Depreciation, Autobus	1,758,269.82		
		12,132,492.11	
			43,234,934.67
Deferred Charges:			
Prepaid Taxes		$ 4,133.17	
Uniforms—amount applicable 1947 operations		11,866.98	
Prepaid Insurance, Rents, etc.		42,399.05	
Unamortized Bond Discount and Expenses		90,266.00	
			148,665.20
Other Assets:			
Operators' Ticket Advance Account		$ 65,000.00	
Refundable portion of Dominion of Canada Excess Profits Tax		291,884.49	
			356,884.49
			$60,317,521.31

LIABILITIES, CAPITAL STOCK AND SURPLUS

Current Liabilities:			
Accounts Payable		$ 743,665.10	
Wages		414,269.79	
Provision for Income and Excess Profits Taxes, less amounts paid on account		2,657,453.80	
Other Taxes		28,496.58	
Bond Interest		322,962.88	
Provision for claims for Injuries and Damages		700,000.00	
Montreal Tramways Mutual Benefit Association		554,754.95	
City of Montreal Rental		125,000.00	
Employees' Security Deposits		38,742.23	
			$ 5,585,345.33
Funded Debt:			
First and Refunding Mortgage 5% Gold Bonds due July 1, 1951 (Payable at holder's option in Canadian or U.S. currency or in sterling)		$15,500,000.00	
General Mortgage Sinking Fund Bonds due April 1, 1955,			
Series "A" (Payable at holder's option in Canadian or U.S. currency or in sterling)			
5%	$ 2,564,100.00		
4½%	266,400.00		
	$ 2,830,500.00		
Series "B" (Payable in Canadian currency)			
5%	$21,078,900.00		
4½%	1,834,100.00		
	$22,913,000.00		
Bonds not yet presented for exchange			
5%	$ 300,700.00		
4½%	3,200.00		
	$ 303,900.00		
		26,047,400.00	
			41,547,400.00
Reserves (In accordance with provisions of Contract):			
Contingent Reserve		$ 300,000.00	
Other Reserves, including refundable portion of Dominion of Canada Excess Profits Tax		406,660.19	
			706,660.19
Reserves (For Company's Account):			
Reserve for Financing		$ 2,356,158.30	
Reserve for Redemption of Unpresented Tickets		500,000.00	
Reserve for Exchange on U.S. Dollars		209,000.00	
Other Reserves		66,395.20	
			3,131,553.50
Capital Stock:			
70,000 shares of $100.00 par value			7,000,000.00
Surplus			2,346,562.29
			$60,317,521.31

NOTE:

Balances payable, when earned, under the Operating Contract with the City of Montreal:

To the Company, on Financing Allowance		$ 662,950.58
To the City of Montreal, for unearned rental to December 31st, 1941	$3,830,982.45	
Less paid in the years 1937 and 1938 in virtue of Provincial Government Acts, sanctioned May 20, 1937, and April 12, 1938	1,250,000.00	
		$ 2,580,982.45

The City of Montreal, in appeals pending before the Provincial Transportation and Communications Board, has protested the allocation of earnings under the Operating Contract by the Montreal Tramways Commission and, on the basis of its allegations as to the proper manner in which such earnings should have been allocated in past years, claims that the aforementioned amount of $2,580,982.45 with interest is now payable, which claim the Company does not admit.

Signed on behalf of the Directors:

BEAUDRY LEMAN
W. TAYLOR-BAILEY } Directors

Certified Correct:
A. A. BOIRE,
Chief Accountant.

Verified in accordance with our Report of this date.

SHARP, MILNE & CO., C.A.,
Auditors.

Montreal, March 3rd, 1947.

SHARP, MILNE & CO.

CHARTERED ACCOUNTANTS

Montreal, March 3rd, 1947.

Montreal Tramways Company,
Montreal, Quebec.

We have examined the balance sheet of Montreal Tramways Company as at December 31st, 1946, and the related statements of profit and loss and surplus for the year 1946, have reviewed the system of internal control and the accounting procedures of the Company, and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying balance sheet, with notes appended thereto, and related statements of profit and loss and of surplus present fairly the position of Montreal Tramways Company at December 31st, 1946, and the results of the operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

(Signed) SHARP, MILNE & CO., C.A.,
Auditors.

Officers:

R. N. WATT, President
GEORGE H. MONTGOMERY, K.C., Vice-President
D. E. BLAIR, Vice-President and General Manager
A. DUPERRON, Assistant General Manager
T. D. ROBERTSON, Secretary-Treasurer

Directors:

SEVERE GODIN
C. E. GRAVEL
BEAUDRY LEMAN
GEORGE H. MONTGOMERY, K.C.
HOWARD MURRAY, O.B.E.
GORDON W. MacDOUGALL, K.C.
W. TAYLOR-BAILEY
R. N. WATT